



Daily Report

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Daily Report

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General

President Clinton Reaffirms Support for Yeltsin

OW2303213593 Beijing XINHUA in English 1922
GMT 23 Mar 93

[Text] Washington, March 23 (XINHUA)—U.S. President Bill Clinton reaffirmed today Washington's support for Russia's democratic reforms and promised to take an "aggressive and quite specific" aid plan to a summit with Russian President Boris Yeltsin in Vancouver.

Addressing the first formal press conference since taking office some two months ago, Clinton said "the United States supports the historic movement toward democratic political reform in Russia," describing Yeltsin as "the leader of that process."

"He is a democratic elected national leader," Clinton said.

The President said he had not spoken to Yeltsin and had not been contacted on changing the summit, which was scheduled for April 3-4 in Vancouver, Canada, to Moscow.

Clinton said he was planning to telephone Yeltsin after his meeting with visiting Russian Foreign Minister Andrey Kozyrev on Wednesday [24 March] and would consider the venue change if it was proposed.

Clinton said he was planning a "long session" with his senior aides tonight on developments in Russia.

He said Washington had three objectives in supporting the democratic process in Russia, including reducing the nuclear threat to make the world a safer place, supporting democracy and freedom for all Russian people and a market economy.

"Russia is and must remain a democracy," Clinton said.

Reports from Moscow quoted Russian Deputy Prime Minister Boris Feodorov as saying discussions were underway on the proposals of venue change.

During today's morning briefing, White House spokeswoman Dee Dee Myers said Washington had so far received no formal request for the site change.

"At this point, there's been no request from Mr. Yeltsin to move the summit," Myers said. "If there is a request, we will take a look at it."

Russian Foreign Minister Andrey Kozyrev, who arrived here today to meet with Clinton and U.S. Secretary of State Warren Christopher on Russian situation and the scheduled summit.

Myers said Washington's position had not changed and "we continue to support president Yeltsin and other reformers."

Before meeting Christopher, Kozyrev sounds quite upbeat: "everything is o.k. and under control."

In Moscow, the Constitutional Court has ruled that Yeltsin's move to conduct "special rule" violated several articles of the Constitution and the standing organ of the Russian parliament, the Supreme Soviet, will meet on Wednesday to discuss the possible impeachment of Yeltsin.

An ASSOCIATED PRESS report on Monday said some U.S. State Department officials contended privately their doubts if the summit could indeed happen as planned, in contrast to Washington's public statements of sticking to the schedule.

Christopher, Kozyrev To Discuss Summit, Issues

OW2303213493 Beijing XINHUA in English 1729
GMT 23 Mar 93

[Text] Washington, March 23 (XINHUA)—U.S. Secretary of State Warren Christopher will meet with visiting Russian Foreign Minister Andrey Kozyrev today on the planned U.S.-Russian summit and add conditions to Washington's support for Russian President Boris Yeltsin.

"We will reiterate our concern that the current situation in Moscow must be resolved peacefully and in a way consistent with respect for civil liberties," Christopher said in a speech in Chicago on Monday [22 March].

There were suggestions that the summit venue be changed from Vancouver, Canada, to Moscow, but officials in both U.S. and Russian Governments said they were still planning to go ahead in Vancouver as scheduled for April 3-4.

However, White House SPokeswoman Dee Dee Myers indicated Monday that Washington would consider the venue change if Yeltsin requested.

Following his meeting with Christopher on Tuesday, the Russian foreign minister will see U.S. President Bill Clinton on Wednesday.

"We will communicate to him our support for Russia's continued democratic development," Christopher said in his Chicago speech.

The U.S. appears to be moving from pinning all its support on Yeltsin to dealing with other "key players" in Russia and emphasized that "the only basis for U.S.-Russian partnership" is for Russia to remain a democracy moving toward a market economy.

While reiterating Washington's support for Yeltsin, Christopher urged the Americans not to have illusions on the Russian situation. "Setbacks are inevitable," he said.

In saying this, Christopher is apparently preparing the Americans' mind to cope with any eventualities in Moscow.

"Our engagement with the reformers must be for the long haul—when they're out as well as when they're in, when they're down, as well as when they're up," the secretary stressed.

In the U.S. press, concerns were mounting on Yeltsin's seizure of control of the media, apparently shifting from his earlier pledge of protecting civil liberties.

So far, U.S. officials have not commented formally on Yeltsin's move on the media, but Christopher said Monday that "we welcome President Yeltsin's assurance that civil liberties, including freedom of speech and of the press, will be respected at this difficult moment."

In Moscow, head of the Constitutional Court is calling for compromise between Yeltsin and the Congress of People's Deputies, or parliament.

But former U.S. secretary of state, Lawrence Eagleburger, appearing on the NBC Television, said, "I doubt there is much room for compromise and I doubt if it will happen."

Besides, Eagleburger advised the administration to get along with the possibility that Yeltsin might go beyond his assurances of respect for civil liberties.

"If you have as much confidence as I do in Yeltsin's fundamental commitment to democracy, you have to be ready to understand he may have to do some things that don't look terribly democratic," the former secretary of state said.

EC Official Discusses 'Risk' in Helping Yeltsin

OW2303133093 Beijing XINHUA in English 1309
GMT 23 Mar 93

[Text] Brussels, March 23 (XINHUA)—Western countries are taking a risk in backing Russian President Boris Yeltsin and there exists a danger of coup d'etat in his country, the European External Affairs Commissioner, Hans van den Broek, said here yesterday [22 March].

The European Community and the United States have affirmed their support for Yeltsin who had announced, in his conflict with the parliament last week, his decision to govern the country by presidential decree and to hold a referendum next month.

Speaking before the European Parliament, van den Broek said that they had probably taken a risky approach because they did not know what Russia's future would be. But they had no other choice.

Van den Broek also suggested that some military elements in Russia might intend to seize governmental power by force and he did not rule out the possibility of a coup d'etat.

It must be remembered, the EC commissioner emphasized, that Western countries were really backing Russia's process of democratic reforms but not betting on Yeltsin himself.

The foreign ministers of Portugal, Denmark and Belgium, past present and future holders of the E.C. presidency, are to visit Moscow this weekend for talks with Russian leaders.

Japan To Propose Additional Aid to Russia

OW2003194793 Beijing XINHUA in English 1509
GMT 20 Mar 93

[Text] Tokyo, March 20 (XINHUA)—Japan will propose the establishment of a 10 billion U.S. dollar fund to assist Russia, a local newspaper reported today.

NIHON KEIZAI SHIMBUN says this new fund will be in addition to the 24 billion U.S. dollar aid package extended to Russia last year by the seven industrialized nations, and that Japan was expected to contribute about one-third of the new fund.

Japan's proposal, to be introduced at a meeting of the G-7 [Group of Seven] nations next month, says the additional fund is intended to help jobless workers, improve industrial infrastructure and develop medium and small sized enterprises.

Russian President Boris Yeltsin has urged the G-7 nations to meet in advance of their summit scheduled for Tokyo in July to discuss additional aid to Russia. "If we wait for the Tokyo summit in June-July, it may be too late," he said.

Russian First Deputy Prime Minister Vladimir Shumeyko told reporters on Friday that while no one in the Russian Government counts on Western assistance, Russia will not reject help from the West.

The seven developed nations are Britain, Canada, France, Italy, Germany, Japan and the United States. Germany is a major source of financial support for Russia and holds the biggest share of Moscow's debt.

'News Analysis' on German Chancellor's U.S. Trip

OW2403054693 Beijing XINHUA in English 0455
GMT 24 Mar 93

["News Analysis" by Li Zhongfa]

[Text] Bonn, March 23 (XINHUA)—German Chancellor Helmut Kohl will find his Washington visit a difficult mission when he starts talks with U.S. President Bill Clinton on Thursday [25 March] on a number of world matters.

The critical situation in Russia, the conflicts in the former Yugoslavia and the prolonged Uruguay-Round trade talks are believed to be the prominent issues in the talks which will not only directly influence the U.S.-European relations but also the development of the whole Europe.

There are certainly some common views on these matters shared by the United States and the European

nations, but this was overshadowed by the frequent quarrels and accusations among the countries across the Atlantic.

In Russia, the deepening political and economic crises and the challenges President Boris Yeltsin is facing in his reform worry the Western nations very much. Although Western nations have recently voiced stronger support to Yeltsin and his reform, the West, facing a recession itself, has so far balked at providing Russia with the amount of assistance as Yeltsin hoped for.

Concerned with its own political stability, Germany has been the most active Western country in providing assistance to Russia.

It has also urged other major industrialized nations to hold an emergency meeting on aid to Russia in Tokyo next month before the April 25 vote of confidence Yeltsin called in his showdown with the congress.

The conflicts in the former Yugoslavia, which have lasted for more than a year and see little hope for an early solution, also troubled both the United States and European countries.

The United States, though planning to dispatch troops to the region, does not want to get entangled in the problem. Germany is banned by its Constitution from participating in the military activities of the United Nations to bring peace to the region.

As the conflicts are threatening the stability of the European Continent, Kohl would certainly hope to get some ideas from Washington toward a solution to the conflicts.

Another headache for both the U.S. and the EC is the long-blocked Uruguay Round of talks on the General Agreement on Tariffs and Trade (GATT).

The disputes among the major industrialized nations cast a gloomy future to the conclusion of the Uruguay Round of GATT talks. In the visit, the German chancellor hopes to break the deadlock of the talks and stop a trade war between Bonn and Washington that could result from a breakdown in current international talks.

Therefore, Kohl's first meeting with President Clinton would not be an easy one and the Western nations are waiting to see how much his Washington tour can do in removing the differences between the two sides.

Article on U.S. Involvement in Former Yugoslavia
HK2403072693 Beijing LIAOWANG in Chinese No 11, 15 Mar 93 p 45

[Article by Wu Zhiqiang (0702 1807 1730): "Comments and Analysis on U.S. 'Active Involvement' in Resolving the Crisis in the Former Yugoslavia"]

[Text] Since U.S. President Bill Clinton took office he has been busily engaged in resolving domestic economic

problems. However, in the last one-and-a-half months since then, he has taken two major steps to resolve the crisis in the former Yugoslavia. One was that on 10 February, Secretary of State Warren Christopher announced a "six-point program" for resolving the conflict in Bosnia and Hercegovina, and the other step was that on 28 February, the operation to air-drop humanitarian aid materials to the eastern region of Bosnia and Hercegovina started. On the issue of Yugoslavia, the Clinton administration formally talked more and acted less. The administration has now professed an "active involvement" in the issue. However, in terms of the various contradictions at home and abroad facing the new government, it is estimated that there will be no major change in U.S. policy toward the Balkan crisis, and the United States will continue to hold the attitude of taking one step and looking around before taking another and striving to avoid excessively deep involvement.

The United States announced its "six-point program" only after the Geneva Bosnia-Hercegovina peace talks collapsed at the end of January and it had to take a stand when the United Nations Security Council was discussing the Owen-Vance plan. People noticed that the plan neither included the use of force in implementing the proposition on the "no-fly" zone in the skies over Bosnia and Hercegovina nor mentioned the lifting of the weapons embargo on the warring factions in Bosnia and Hercegovina; it also did not touch on the proposition on bombing the airports and positions held by the Serbs. The three options were part of the uncompromising policy advocated by Clinton during the election campaign.

Before the announcement of the "six-point program," it was widely known in press circles that the United States was considering implementing the "no-fly zone" in Bosnia and Hercegovina by using force, and had a plan for supplying weapons to the Muslims in Bosnia and Hercegovina. For the United States, the two steps would require fewer risks. However, they were firmly opposed by the UK, France, and other countries which had dispatched their troops to Bosnia and Hercegovina to carry out the humanitarian aid operations, because they feared that the two steps would further broaden the Bosnia-Hercegovina conflict and endanger the security of the lives of their own soldiers. At home, in particular, in the U.S. military, there are also many dissenting views. The senior generals of the Pentagon maintained that the implementation by force of the "no-fly zone" in Bosnia and Hercegovina could not markedly improve the situation on the ground battlefields and the lifting of the weapons embargo would lead only to "greater disorder."

Moreover, although the "six-point program" indicates that the United States may possibly dispatch and station peacekeeping forces, it attached a series of conditions for the dispatch of troops, such as that the U.S. peacekeeping forces can only be part of the UN or NATO armed forces and that the United States will dispatch its

troops only after "a feasible peace agreement complete with detailed rules and plan for implementations is reached." Apparently this is a program which would allow for unforeseen circumstances. With the program, the United States has both made known its position and increased the weight of its "active involvement" in resolving the Bosnia-Herzegovina conflict and given considerations to the domestic worry about the various consequences which may arise following the U.S. military involvement in Bosnia and Herzegovina.

The U.S. air-dropping operation, from formation to implementation, all the more shows how careful the United States is in resolving the crisis in the former Yugoslavia. In a written statement he delivered on 25 February, when announcing the air-drop operation, Clinton emphatically stressed: Air-dropping is a "temporary measure" taken for the regions in which it is difficult for the ground convoys to reach and its aim is "purely humanitarian." Air-drops will not be escorted by combat planes. The various warring factions in Bosnia and Herzegovina are entitled to get the air-dropped materials regardless of their races and religious beliefs.

The U.S. air-dropping operations are well received by some countries. A spokesman from the German Ministry of Foreign Affairs said: "We wholeheartedly welcome the act to expand the air bridge from Sarajevo to the eastern region of Bosnia and Herzegovina." Roland Dumas, French minister of foreign affairs, said: "The Americans have stood together with the Europeans in this affair which has a bearing on the world as a whole. This is a good thing." However, some people questioned the results of the U.S. air-drops and even Richard Cheney, the former secretary of defense, doubted how much role the "symbolic" operation could play.

Through air-drop operations, the United States formally intended to enable the ground aid convoys to smoothly deliver materials and promote the three belligerent parties to reach a ceasefire. However, after five successive rounds of air drops, fighting on the ground has not yet stopped and the Serbs stepped up attacks on the eastern region where the Muslims live in compact communities. The Pentagon has always stressed that the air-drop operation had been a success, but amateur radio operators in the drop zones reported that few people had found the aid pallets and many materials intended to be dropped for the Muslims had fallen into the hands of the Serbian armed forces.

Although the United States and Russia dispatched special envoys to join the effort to encourage the three belligerent parties to achieve peace, it is still unknown how much pressure the United States can put on the Muslims, and Russia on the Serbs, so as to compel them to sign the revised Owen-Vance peace plan. On the 5th, Clinton disclosed: The United States is consulting with its allies on the issue of stepping up the effort to take sanctions against Serbia. He admitted: The United States' capability to apply sanctions is limited. It cannot take action unilaterally and it needs European support in

this regard. Decided by various factors, the U.S. "active involvement" in the crisis in the former Yugoslavia is in fact an act of steering a cautious course.

First, as "the only post-cold war superpower," the United States intends to maintain its global leading position forever but its national strength has been weakened with the gargantuan federal deficit as the indicator. This state of affairs no longer allows it to take any big operations similar to the one it took in the Gulf war. Second, the United States and the European Community are scrambling for overall control over European affairs. While admitting that the chaos caused by war in the former Yugoslavia is a matter for the Europeans and that the United States is unwilling to get itself involved too deeply, the United States is worried that the Europeans will desert America and act as they see fit. However, at the present stage, European countries have to rely on the United States' strength. This relationship of both cooperation and struggle has also determined that the United States may possibly have to take one step and look around before taking another on the issue of the former Yugoslavia. Third, there are contradictions between the U.S. Government and military, and therefore, many steps, in particular, military actions, can be taken only after repeated considerations of their pros and cons. Fourth, in the Balkan conflict, while the United States supports the Muslims, Russia supports the Serbs. As such, Washington has to act cautiously. It must do so especially because the current Russian domestic situation is very delicate.

'News Analysis' Discusses NATO 'Confusion'

OW2203094693 Beijing XINHUA in English 0832 GMT 22 Mar 93

["News Analysis" by Li Hubing]

[Text] Brussels, March 21 (XINHUA)—Although the North Atlantic Treaty Organization (NATO) has undertaken large-scale strategy adjustments in recent years to respond to challenges brought about by the ending of the cold war, it still appears mired in confusion and perplexity.

During the cold war, when it was confronted by the military threat of the Warsaw Pact organization, NATO occupied a decisive position in European political and security affairs. In 1991, after the ending of the cold war, its leaders met in Rome to establish a new development strategy which went into effect last year.

This new strategy was based on the new European security situation which has been characterized by an increasing number of Eastern European conflicts stemming from historic, nationalistic and religious causes.

Although NATO's new strategy gave priority to resolving these conflicts, it has not yet been able to do much about maintaining peace in the region. In particular, NATO cannot shirk its responsibility to act in the current Yugoslav crisis.

Although the conflicts in the former Yugoslavia pose no direct threats to the security of NATO member states, this does not mean the crisis has no potential impact on them, and particularly on NATO members in southern Europe bordering the Balkan Peninsula.

Considering that the disintegration of the Warsaw Pact organization left the military strength of NATO unmatched not only in Europe but in the world, NATO's role in the Yugoslav crisis should have surpassed those played by the European Community, the Western European Union and the Conference on Security and Cooperation in Europe.

Instead, NATO's response has been limited to dispatching a fleet to the Adriatic Sea to strengthen the sanctions against Yugoslavia and to sending planes to monitor the U.N.-imposed no-fly zone over Bosnia-Herzegovina. NATO headquarters has said repeatedly that it is mapping out other military plans, but no sign of other action has been seen so far.

NATO's explanation for this is that its actions require authorization from the United Nations. Among the reasons for which NATO has no intention of extensively intervening are:

Because of the deep, sophisticated historical, national and religious background of the conflict, outside military intervention is not sufficient to resolve the situation. NATO member states share a worry that once they go in, they will have no way to get out.

The 16 member states, which would benefit quite differently from the resolution of the Yugoslav crisis, naturally take different approaches toward its settlement. According to NATO's charter, its decisions must be approved by all 16 member states.

These dilemmas are making it difficult for NATO to play a significant role in post-cold-war Europe's political and security affairs. The intricacy of European regional conflicts, the limitations on the effectiveness of military intervention and NATO's own confused attitude significantly restrain its military advantage.

World Bank To Give Loans To Train Teachers
*OW1803014693 Beijing XINHUA in English 0019
GMT 18 Mar 93*

[Text] Washington, March 17 (XINHUA)—The World Bank announced here today it is to support China's teaching training with an International Development Association (IDA) credit of 100 million U.S. dollars.

IDA is the bank's affiliate for concessionary lending.

In announcing the news, the World Bank said China is moving aggressively to realize its goal of universal nine-year basic education.

It said this program targets teacher training for lower middle schools in 15 provinces and autonomous regions in China.

The project, the World Bank said, focuses on institutional, management and quality improvements in lower middle school teaching services. It will target 124 teaching training institutions and provincial and county education bureaus.

Meanwhile, operation needs, including facilities upgrading, instructional equipment, library development and staff upgrading, will be met, the World Bank said.

In addition, training and specialist services will help develop management capabilities for the teaching system. The quality of teaching will be improved through seminars, pilot and innovation programs.

In China, more than 95 percent of children between six and 11 and 60 percent of those between 12 and 15 are in school, the World Bank said, adding that the country's literacy rate of those 15 and older is at roughly 77 percent, higher than most countries at similar levels of economic development.

The World Bank said that primary schools in China benefit from a fairly well developed teacher training program. But further teaching development for teachers of grades seven to nine is needed.

It said attendance through these grades is becoming more important and is often required.

Eight of the 15 project provinces are below the national average in per capita income. The project will help in achieving IDA's objectives of poverty alleviation and human resources development in China.

World Bank said that this is the 15th project China devoted either entirely to education or with major education components.

World Bank said that the 100 million U.S. dollars credit brings bank lending to the education sector to a total of about 1.29 billion U.S. dollars.

The total project cost is about 256 million dollars. The Chinese Government is providing 53 million dollars, while provincial governments are providing 103 million dollars.

The credit is on standard IDA terms with 35 years of maturity.

Foreign Companies Invest in Zhejiang Province
*OW2103134393 Beijing XINHUA in English 0808
GMT 21 Mar 93*

[Text] Hangzhou, March 21 (XINHUA)—Foreign companies are making investment in groups in east China's Zhejiang Province.

The province approved the establishment of 2,200 foreign-funded enterprises last year.

A provincial official said that there is an obvious increase of investment in service trade, commerce, recreational facilities and real estate industry.

One example is the Sino-Japanese machine parts production base founded jointly by the Hangzhou Machinery and Electrical Appliances Industrial Corporation and a group of companies headed by Toshiba Corporation to produce machine parts and computer software for the Japanese corporation.

Investment in the first-phase construction amounted to 1.75 billion Japanese yen.

A recent survey shows that investment by a group of foreign companies in this east China province is on the rise.

Besides, a Hong Kong investor put in more than 100 million U.S. dollars in five joint-venture projects in a row last year.

United States & Canada

Commentary on U.S. Talks on GATT Membership

HK2403030693 Beijing GUOJI SHANGBAO in Chinese
18 Mar 93 p 3

[Commentary by staff reporter Wu Yue (2976 6460): "Merely a Posture—A Shallow Analysis of the U.S. Position in Sino-U.S. Consultations on the Resumption of China's Status as Signatory Party of GATT"]

[Text] After the high-ranking Sino-U.S. consultations on "restoring China's status as a signatory state to GATT," the two sides each made a statement to the media. The spokesman of the Chinese side had reservations about the results, while the U.S. side made a low-key statement. According to my understanding, this implies that the two sides have failed to make a breakthrough in key problems. The consultations were mainly designed to readjust the content of China's protocol and proceeded along five requirements set by the U.S. in 1989 for: 1) defining a unitary state trade policy; 2) ensuring transparency of the trade system; 3) ending nontariff barriers; 4) making a commitment to completely change to market economy prices [as published]; and 5) accepting protection regulations, namely, regulations preventing China from exporting a large quantity of commodities before its price reforms are completed.

China rejected the fourth and fifth requirements for these reasons: 1) China's economic system had undergone a substantial change; and 2) the United States had not adopted a positive attitude toward unconditional renewal of China's most favored nation (MFN) trading status under the pretext that U.S. domestic legislation was not compatible with GATT. From the statement made to the public by the U.S. side, I cannot feel that the

U.S. side still sticks to the commitment to "firmly support China in its effort to join GATT" it made in the Sino-U.S. market access understanding memorandum. U.S. representatives to the consultations took a skeptical attitude toward China's socialist market economy, believing that they should be very prudent in admitting a socialist country developing a market economy into GATT because there is no similar precedent in the history of GATT. Though the two sides said they reached a consensus on some problems, it is uncertain whether they can break the present stalemate.

What Do the Chinese Want?

For China the most important objective of "rejoining GATT" is to enjoy MFN trade status. Frankly speaking, in attaining this objective, China enjoys the support of other signatory countries except the United States, its biggest trade partner. On the problem of unconditional renewal of China's MFN trade status, the United States has never said anything frank and straightforward. It is believed that there is an insurmountable barrier—the Jackson Amendment—in U.S. domestic legislation. According to this amendment, granting MFN status to a country introducing a planned economy is subject to parliamentary deliberation. Whether the status will be granted with or without conditions is entirely dependent on the relevant country's noneconomic factors, such as the human rights situation, arms sales, and so on. The economic system can be reformed and so can the law. Though there is a profound political reason for the Jackson Amendment, the Chinese side would not make unilateral concessions if the U.S. side failed to flexibly handle the problem in light of the substantial and profound change in China's economy. The second action the Chinese side hopes the U.S. side will take to show its sincerity is to produce a tariff diminution list [guan shui jian main yao jia dan 7070 4451 8096 0346 6008 0116 0830] as soon as possible. According to GATT regulations, if a signatory country refuses to hold talks with another country applying for GATT membership on tariff diminution, this means the former will give effect to GATT's Article 35 on incompatibility [hu bu shi yong tiao kuan 0062 0008 6624 3938 2742 2949]. Through the Sino-U.S. talks on market access, the United States has obtained China's tariff diminution commitments of 50 tax numbers [wu shi ge shui hao di guan shui jian rang cheng nuo 0063 0577 0020 4451 5714 4104 8096 6245 4451 2110 6179], but the Chinese side has not yet received a similar response from the U.S. side.

What Do the Americans Want?

It should be made clear that the five requirements do not all represent U.S. interests. China received similar requirements from other signatories when holding talks with them. The reason Sino-U.S. talks are so important lies in the fact that each side is a "principal supply country" to the other. If China cannot obtain substantial benefits from the U.S. side, it will be meaningless even if China gets support from two-thirds of the signatories for its application for GATT membership. The intention of

the United States is very clear: "Firm support for China's effort to join GATT" does not mean allowing China to join GATT without conditions. The fourth and fifth requirements, in the final analysis, are a problem of prices. A specific analysis of the matter will show that in setting forth the requirements, the U.S. side was playing a Europe card, because the protection article was originally put forward by the European Communities. Do Americans intend to take advantage of the article or speak for other signatories out of a sense of justice? The U.S. side, which has won the advantage in the Sino-U.S. market access talks, should know very well how far China has gone with economic restructuring, but its choosy attitude toward the "socialist market economy" shown in the current consultations made one feel uneasy. I think that apart from economic factors, other factors must be at the bottom of Sino-U.S. confrontation over "China's application for GATT membership."

It Makes No Difference Whether We Feel Pessimistic or Optimistic

The high-ranking consultations are really an eye-catching event in the current development of Sino-U.S. relations. Some newspapers said that China was overoptimistic about the situation. I believe that if this is the case, this means that China will make no more concessions. Both the Chinese and Americans are clear that within the framework of GATT, or as far as GATT's market mechanism is concerned, market economy or socialist market economy is only a concept; what matters is whether GATT's obligations will be fulfilled or not. Whether China will adopt a flexible attitude, I am afraid, will also depend upon how the United States will act concerning China's MFN status. The Sino-U.S. market access talks were soul-stirring, and the miracles did not emerge until the last minute. What is interesting is that while the Chinese were described as being optimistic, Americans expressed hope that the matter will not drag on too long, saying jokingly that the matter is unlikely to drag on for another seven years. We hope the U.S. side will make good their word.

Clinton Urges Congress To Pass Economic Package

OW2303213693 Beijing XINHUA in English 2032
GMT 23 Mar 93

[Text] Washington, March 23 (XINHUA)—U.S. President Bill Clinton today urged Congress to pass his economic package of deficit reduction and job creation.

"Each of these elements - reducing the deficit, asking the wealthy to pay their fair share, investing in the future and creating jobs - will work as a package, and Congress should pass the package," Clinton said.

During his first formal press conference since he took office more than two months ago, the President stressed the importance of solving the country's debt and deficit problems.

To counter the opinion of some Democrats who said deficit reduction was the only thing that matters, the President said that "investing in the future" was equally important.

"We just have a difference of opinion" with some lawmakers, Clinton noted. "If you delay the investment, you also delay the impact of the investment."

"If the Senate will adopt the budget resolution like the House did, the American people will know we are not going to raise their taxes till we cut spending and we are going to create jobs," he said.

Before he spoke, a Senate committee approved here today the President's plan of 16 billion U.S. dollars to federal projects and job-creating programs.

The President, during the press conference in the East Wing of the White House, reiterated his support for the on-going negotiations on side agreements of the North American Free Trade Agreement (NAFTA), stressing that basic environmental and labor standards are observed.

He refuted the saying that his administration planned to be very tough in side deal talks on NAFTA, which was negotiated during the Bush administration.

"I have enormous admiration for President Salinas (of Mexico) and for what he's doing," he said. "I want to support that."

On trade relations with Japan, the President said he hoped to engage the Japanese Government in an ongoing dialogue across a whole broad range of issues.

"If you look at the history of American trade relationship, the one that never seems change very much is the one with Japan," he said. "That is, we're sometimes in a position of trade deficit."

"The persistence of the surplus the Japanese enjoy with the U.S. only lead one to the conclusion that that possibility of obtaining real even access to the Japanese market is somewhat remote," the President said.

He said the U.S. hoped to cut its trade deficit with Japan first before acting unilaterally.

Central Eurasia

Russian Speaker Says Early Elections 'Inevitable'

OW2303161693 Beijing XINHUA in English 1527
GMT 23 Mar 93

[Text] Moscow, March 23 (XINHUA)—Russian parliament Speaker Ruslan Khasbulatov said here today that early elections of legislators and the president are inevitable regardless of any decisions adopted by President Boris Yeltsin and the parliament.

Speaking at a press conference in parliament, Khasbulatov said no matter whether the president or legislators

want elections or not, the society will face a situation which will bring authorities to this elections.

The speaker said that the April 25 referendum President Yeltsin proposed can not end the constitutional crisis in the country. Instead, early elections of legislature and the president are necessary.

Khasbulatov blasted Yeltsin's "special rule" declaration as a direct coup attempt. "We face today a direct attempt at a coup d'etat," he said.

He told the press conference that Vice President Aleksandr Rutskoy should take over "if there is an impeachment, then, according to the Constitution."

He added that it is quite natural that the Constitutional Court ruled the actions of the president as "violating several articles of the Constitution".

He said if the Congress' decision on impeachment is passed, the presidential powers will automatically transfer to vice president.

Khasbulatov denied reports that communist forces are seeking revenge in Russia and said many foreign leaders put their stakes on the wrong force.

The West's support for Yeltsin was based on "a distorted opinion that a struggle between conservatives and reformers is taking place in Russia," he said.

Russian Parliament Meets in Emergency Session

OW2303162493 Beijing XINHUA in English 1611
GMT 23 Mar 93

[Text] Moscow, March 23 (XINHUA)—The Russian parliament met for just 17 minutes today before postponing its emergency session until tomorrow to discuss the Constitutional Court's ruling today that President Boris Yeltsin's rule-by-decree declaration was unconstitutional.

The parliament Speaker Ruslan Khasbulatov explained that the parliament had taken the decision because of the funeral of Yeltsin's mother today, ITAR-TASS NEWS AGENCY reported.

The parliament would resume its session at 10 a.m. (0700 GMT) in a bid to draw a conclusion from the Constitutional Court's ruling, Khasbulatov said.

The session would also discuss a holding of the Ninth Congress of People's Deputies, he added.

The six-page text of the court's decision said that "the introduction of presidential rule violates the federative treaty ... and several articles of the Constitution".

Yeltsin announced on March 20 that he would rule by decree until a referendum over who should rule Russia on April 25.

As the Congress was sitting, so Yeltsin's Presidential Council was also meeting in the Kremlin starting at 4

p.m. (1300 GMT) today to study counter measures after the Constitutional Court's ruling, ITAR-TASS reported.

Chief of Staff of the Presidential Office, Sergey Filatov, who chaired the meeting, described the situation in the country as "worrisome."

He said that the text of Yeltsin's decree imposing special presidential rule would be released "in the next few hours".

Publication of the official text is needed before the court and parliament can take formal action against the move, he said.

Also today, the commander of the Dzerzhinsky Division of Interior Ministry troops, stationed about 100 kilometers away from Moscow, denied reports that it was moving ahead towards the capital.

Meanwhile, Russia's independent union of servicemen issued a statement supporting Defense Minister Pavel Grachev's appeal to the military to stay out of the current political crisis.

The statement also appealed to social organizations not to put the military into the political crisis nor to split the Army.

Discusses Presidency Suspension

OW2303213293 Beijing XINHUA in English 1632
GMT 23 Mar 93

[Text] Moscow, March 23 (XINHUA)—The Russian parliament said today in a statement that a possible suspension of presidency for Boris Yeltsin before a referendum is valid under the current Constitution.

The parliament made the statement to retort a statement by the presidential press service earlier today that a suspension of presidency is illegal before a referendum on a draft new constitution is held.

The parliament explained that the provision, which was agreed upon at the Seventh Congress of People's Deputies, had been removed at the eighth congress this month.

The presidential press service's statement came after several people's deputies and officials spoke of a possible immediate suspension of presidency for Yeltsin.

Yeltsin made his announcement of special rule by decree last Saturday [20 March], which was considered unconstitutional today by the Russian Constitutional Court.

Congress To Meet 26 Mar

OW2303213393 Beijing XINHUA in English 1704
GMT 23 Mar 93

[Text] Moscow, March 23 (XINHUA)—Russia's supreme legislature, the Congress of People's Deputies, will convene a meeting on March 26, ITAR-TASS said here today.

At today's emergency session of the Russian parliament, people's deputies of Russia received copies of a draft resolution, which was signed by Yuriy Voronin, vice-chairman of the parliament, calling for a meeting of the Congress of People's Deputies.

Russian parliament members today met at the meeting and discussed the legality of President Boris Yeltsin's "decree of special rule".

Ruslan Khasbulatov, chairman of the parliament, told a press conference after the meeting that advanced legislative and presidential elections of Russia are inevitable.

Russian Parliament Resumes 'Crucial Session'

OW2403082793 Beijing XINHUA in English 0811
GMT 24 Mar 93

[Text] Moscow, March 24 (XINHUA)—The Russian parliament today resumed a crucial session to consider convening the country's supreme legislature to impeach President Boris Yeltsin.

A draft resolution circulated to deputies proposed the Congress of People's Deputies meet on Friday [26 March]. It also invited Yeltsin, who last Saturday declared effective presidential rule, to attend the Congress.

Yeltsin Order Obliges Officials To Apply Decree

OW2303223793 Beijing XINHUA in English 2151
GMT 23 Mar 93

[Text] Moscow, March 23 (XINHUA)—The Russian Presidential Office today published an order by President Boris Yeltsin, which obliges the prime minister to supervise the application by government officials of his March 20 decree to stage a five-week "special rule" in Russia.

The governments of all levels are held responsible for the application of the decree, and any failure or resistance of the decree by any official will lead to his dismissal from government office, said the order, which is a clear warning to those who still refuse to obey his decree.

It also obliges the government leaders of all republics, prefectures, frontier regions and autonomous prefectures to supervise the application of the decree by the officials at lower levels.

Ukrainian President Reaffirms Support for Yeltsin

OW2303162593 Beijing XINHUA in English 1612
GMT 23 Mar 93

[Text] Kiev, March 23 (XINHUA)—Ukrainian President Leonid Kravchuk telephoned Russian President Boris Yeltsin today to reaffirm support for his "resolute efforts for democratic reform".

His call came to express his sympathy to Yeltsin on the death of his mother.

On Sunday [21 March], President Kravchuk issued a statement over the Russian political crisis, calling on both sides to give up confrontation as a way to solve problems.

Northeast Asia

DPRK Supreme Commander Lifts 'Semiwar' State

OW2403045393 Beijing XINHUA in English 0410
GMT 24 Mar 93

[Text] Pyongyang, March 24 (XINHUA)—Supreme Army Commander of the Democratic People's Republic of Korea Kim Chong-il has lifted a "semi-war" state imposed on March 8, the Pyongyang Radio said here today.

The "semi-war" state for the whole country, military and people was declared by the supreme commander in response to the "Team Spirit" joint United States and Korean war games in South Korea starting March 8.

Latin America & Caribbean

Military Leader Receives Venezuelan Delegation

OW2303133993 Beijing XINHUA in English 1324
GMT 23 Mar 93

[Text] Beijing, March 23 (XINHUA)—Xu Huizi, deputy chief of General Staff of the Chinese People's Liberation Army met here this evening with visiting Oswaldo Ramon Suju Raffo, general inspector of the Armed Forces of Venezuela.

Both expressed the belief that the visit will help promote the friendly relations between the two countries and two Armies.

Suju, who arrived here yesterday for a ten-day visit to China at the invitation of the Headquarters of the PLA General Staff, is also scheduled to tour Xian and Guangzhou.

Qin Jiwei Meets Group

OW2403064893 Beijing XINHUA in English 0636
GMT 24 Mar 93

[Text] Beijing, March 24 (XINHUA)—The relations between the two peoples and Armies of China and Venezuela have progressed smoothly, said Chinese Minister of National Defense Qin Jiwei.

Qin, meeting with Oswaldo Ramon Suju Raffo, general inspector of the Armed Forces of Venezuela here this morning, said this has been shown in almost all fields.

Though the two countries are oceans apart geographically, Qin, also a state councillor, said the bilateral ties have withstood trials and are making great headway.

China and Venezuela, which boast of long traditional friendship, have been supporting and trusting each other and share views on many international issues, he noted.

In view of the drastic changes that have taken place around the world, Qin said that developing nations should work to cement their unity which is of strategic importance.

Oswaldo Ramon Suju Raffo, who is on his first trip to China, said his visit is aimed at strengthening the existing friendly ties between the two Armies. There are

broad prospects for cooperation between Venezuela and China in many fields, he added.

Suju and his party, who arrived on Monday [22 March] for a 10-day visit to China at the invitation of the headquarters of the Chinese People's Liberation Army (PLA) General Staff, are scheduled to tour Xian and Guangzhou.

Xu Huizi, deputy chief of the PLA General Staff, hosted a dinner in their honor yesterday evening.

Eighth National People's Congress

PLA Chief of General Staff on Army Reform

*HK2403095393 Beijing JIEFANGJUN BAO in Chinese
19 Mar 93 p 1*

[By reporter Lu Tianyi (4151 1131 5030): "At a Group Discussion on the Government Work Report, Zhang Wannian, Chief of General Staff of the People's Liberation Army, Speaks on Strengthening Army Building and Reform in the New Situation"]

[Text] Beijing, 17 Mar (JIEFANGJUN BAO)—Today, at a group discussion meeting on the Government Work Report, Zhang Wannian, military deputy to the National People's Congress, made a speech discussing his views on security and development, an issue that has a bearing on the rise or decline and the survival or extinction of the state.

Zhang Wannian maintained: To achieve development, we should strive for security, and to achieve security, we should strive for development. Without security, there would be no guarantee for development, and without development, there would be no foundation for security. We should unify security and development and adhere to taking the road of making our country rich and building up its military power.

Zhang Wannian said: In his report, Premier Li Peng pointed out: While concentrating its efforts on economic construction, the state should continue to strengthen the modernization of national defense and continuously boost our Army's defensive combat capability. This fully demonstrates that the party and the state attach great importance to national defense and army building. In the new situation, the starting point and focus of army building should be enhancing defensive combat capability. Only in this way can our Army shoulder the mission of ensuring the smooth progress of reform and opening up to the outside world and of economic construction.

In reviewing the practice of army building in the last few years, Zhang Wannian said: Having seized the opportunity, China is currently accelerating its economic development. To meet the needs of this situation, army building and reform should also be expedited. Army building should be subordinated to the overall situation of the state's economic construction. This is important strategic thinking put forth by Comrade Deng Xiaoping and a fundamental principle with which we handle the relationship between state construction and army building. To implement this thinking of Comrade Deng Xiaoping, on the one hand, the Army should give play to its role as an important force for building socialism with Chinese characteristics, and on the other hand, bring into play its role as a great wall of steel guarding the socialist motherland. The Army should firmly foster the idea of being a fighting force, base itself on existing conditions, bring subjective initiative into play, carry out its own building and reform faster and with better

results, strive to enhance its defensive combat capability, and effectively perform its own fundamental functions.

Zhang Wannian went on to say: The coming five years are crucial to realizing the second-step strategic objective of the national economy and also an important period in the modernization of national defense. How our work is done during this period is of the utmost importance to the future and development to come of our state and Army. To develop the national economy, we should have a sense of historical responsibility and practical urgency, and to strengthen national defense and Army modernization we should similarly have such a sense.

Zhang Wannian stressed: To speed up the pace of army building and reform and enhance our Army's defensive combat capability, as far as the fundamental guiding ideology is concerned, it is necessary to unswervingly uphold Comrade Deng Xiaoping's thinking on army building in the new period, unswervingly carry out the strategic principle of active defense, which was set by the Central Military Commission, unswervingly implement the general requirement of "being politically qualified and militarily competent and having a fine style, strict discipline, and adequate maintenance and supplies," which was set by Chairman Jiang Zemin, unswervingly continue our Army's fine traditions, and strengthen the overall troop building with modernization as the center.

Shanghai Mayor on Maintaining High Growth Rate

*HK2303103793 Beijing RENMIN RIBAO in Chinese
17 Mar 93 p 2*

["Interview" with Shanghai Mayor Huang Ju by Chinese and foreign reporters at the "Two Sessions" News Center in the International Hotel, Beijing, at 1500 on 16 Mar 93, by staff reporters Wu Hao (0702 8504), Chen Hua (7115 5478), and Gong Dafa (7895 6671 4099): "Unswervingly Promote Reform and Opening Up, Boldly Explore New Ways of Development"]

[Text] Together with two assistants, Huang Ju, delegate to the National People's Congress and Shanghai mayor, mounted the rostrum with a smile. He said: "Since you have all got the news release on Shanghai's basics, I will not repeat what it says." Reporters noticed that the news release has revealed Shanghai's great ambition in the coming two decades. They are determined to basically turn Shanghai into one of the international economic, financial, and trade centers, and build Pudong New Area into an export-oriented, multifunctioned, and modernized new district at the world's first-class level by 2010.

A staff reporter raised the first question: During the Chinese Spring Festival this year, Comrade Deng Xiaoping said in Shanghai: "The Shanghai people did something in 1992 which is unachievable by others." Would you please brief this meeting on what Shanghai has done which is unachievable by others, and on how you comprehend Comrade Deng Xiaoping's remarks?

(Before the reporter completed his question, Mayor Huang had already begun to smile showing his understanding.)

[Huang] Comrade Xiaoping's remarks show his concerns over Shanghai's work, and also serve as encouragement to the Shanghai people. In my opinion, Shanghai's work in 1992 is noted for the following several features: 1) The city's gross domestic product in 1992 doubled the average growth rate of the 1980's, while the total amount of foreign investment used in the year equals the total used in the previous 12 years. 2) Just as Premier Li Peng mentioned yesterday, last year witnessed an evident acceleration in the development pace of Pudong New Area. It was our original plan that Pudong will take five years to complete 10 major projects of infrastructural development involving a total investment of 15 billion yuan. Thanks to hard efforts last year, these projects can be completed at the end of this year, two years ahead of the original schedule. 3) Today, all those who go to Shanghai have the feeling that Shanghai is changing, especially the basic urban facilities. Last year, we put 10 billion yuan into the construction of urban infrastructure. It was the first time in the history of Shanghai that we put so much money into this aspect. 4) During the process of cultivating the socialist market economy last year, new breakthroughs were made in Shanghai's market. The total transaction volume of the Shanghai Security Exchange in 1992 reached 76 billion yuan, six times as much as the year before last. 5) Price reform was carried out in a positive and steady way. Price indexes were maintained at 9.7 percent, while the income of Shanghai workers and staff members grew by 25 percent last year. In a word, the hard efforts of the Shanghai people during the year have yielded good proof that "changes can be brought about within one year." However, we are still faced with many newly emerging problems and situations, which require us to make continued efforts in 1993. Just as Comrade Deng Xiaoping pointed out, we should make still greater efforts for another year, brave the wind and the waves, have our feet planted on solid ground, overcome all difficulties, and strive to scale a new height. (Full of self-confidence, Huang Ju spoke in a firm and composed manner.)

[XINHUA Reporter] Shanghai's economic growth rate reached 14.8 percent last year. Do you think such a rate can be sustained?

[Huang] The growth rate Shanghai attained last year is a normal rate, because it was based on sound market outlets, fine quality, and high efficiency. This year, Shanghai will maintain its growth rate over 10 percent. What counts is that the central authorities have granted such authority to Shanghai: Positive equilibrium, dynamic equilibrium, and internal and external equilibrium. Shanghai has been granted the autonomy to balance its own capital, resources, and market within the bases of general economic control and regulation by the central authorities. Under such conditions, so long as it exerts itself to bring about a sound balance among

capital, resources, and domestic and overseas markets, Shanghai can surely maintain the growth momentum of over 10 percent.

[Woman reporter] Mayor Huang seems to have a well-thought-out plan in rectifying "renamed companies." Can you tell us what effective and miraculous cures do you have in hand?

[Huang] I dare not say that I have had a well-thought-out plan, yet I can tell you my views on this issue. We should separate the functions of the government from those of enterprises, yet we do not want to see another upsurge of "renamed companies." To rectify "renamed companies," the government should first simplify its administrative structure and grant more powers to lower levels in a thoroughgoing way; at the same time, efforts should be stepped up to cultivate the market. Only when the market has been cultivated to a certain extent will we find it possible to separate the functions of the government from those of enterprises. By that time, the administrative structure will be simplified and "temples dismantled" in due course.

[American reporter] Shanghai gives large contributions to the state. Will this affect the development of Shanghai itself?

[Huang] Shanghai has entered a contract with the central departments in charge of financial affairs. Last year, Shanghai submitted over 27 billion yuan to the state, accounting for about 80 percent of its total financial revenue. Of course, this total sum includes the taxes and profits submitted by enterprises run by the central authorities in Shanghai. We will not submit more when we collect more; or submit less when we collect less. We will try to make our cake bigger for Shanghai's own use (Discussions started among some reporters: This is a good idea. The key issue is how to urge the people to make the cake bigger.)

Jiang Chunyun Discusses Shandong's Development

OW2403011793 Beijing XINHUA Domestic Service in Chinese 0943 GMT 17 Mar 93

[Article by XINHUA reporters Liu Haimin (0491 3189 3046) and Liu Guanquan (0491 7070 2938)]

[Text] Beijing, 17 Mar (XINHUA)—Shandong's economy has been developing rapidly in recent years. However, when he met with reporters at the First Session of the Eighth National People's Congress [NPC], Jiang Chunyun, deputy to the Eighth NPC, repeatedly stressed that, according to the new blueprint in Premier Li Peng's Government Work Report, the targeted indexes of Shandong's economic construction, social development, and other projects must be readjusted, and people in Shandong must strive to develop in a faster and better manner.

Jiang Chunyun, 62, is a native of Laixi, Shandong. He was born and brought up in Shandong and has been working there. He worked as a secretary of a county party committee, secretary general of the provincial party committee, secretary of the Jinan City CPC Committee, deputy secretary of the provincial party committee, and governor of Shandong. He was full of confidence when he talked about Shandong's development with reporters.

Citing Comrade Deng Xiaoping's words "taking hold of the opportune moment to develop ourselves, the key lies in developing the economy," Jiang Chunyun continued: The 14th CPC National Congress clearly pointed out the orientation and ways for China's reform and construction, and this time, in his Government Work Report, Premier Li Peng has further worked out details for reform and construction. In accordance with the important policy decisions in the government work report, Shandong must accelerate its development. He said: Shandong has the necessary conditions for accelerating its development.

Jiang Chunyun introduced Shandong's situation to us: The average annual economic growth rate in Shandong during the past 12 years was 11.1 percent. During the first two years of the "Eighth Five-Year Plan" period, the average annual growth rate was 15.8 percent. If Shandong can achieve an average annual growth rate of 10-12 percent in the next eight years, we will be able to quadruple Shandong's GNP [gross national product] this year and double it again by the end of this century.

As secretary of the provincial party committee, Jiang Chunyun is quite familiar with Shandong's situation and economic work. He said that to accelerate Shandong's economic development, it is necessary to give prominence to the following six key points:

We should be firm in deepening reform. Shandong's achievements during the past 10-plus years were mainly a result of the beneficial results of reform. To achieve even greater development in the future, we must continue to do a good job in carrying out reform while centering on the general goal of establishing a socialist market economy. In carrying out reform in the rural areas, the main aspect is to stabilize policies, improve social services, and integrate work in the fields of agriculture, industry, commerce, trade, science and technology, and transportation. In carrying out enterprise reform, we should stress changing enterprises' management mechanism, changing the functions of government, and attaching equal importance to both. At present, 80 percent of enterprises in Shandong are carrying out three kinds of management reform. More than 20 percent of office workers have been reduced, and concerned provincial departments have delegated more than 150 kinds of decision-making power to lower level units. We have achieved significant results in this respect. In the next step, we will continue to further carry out reform. In particular, we will expand the scope of the joint stock system and joint capital system [gu fen he zuo zhi 5140

0118 0678 0155 0455] on a trial basis at selected units. We will strive to turn one-third of state-owned enterprises into joint-stock systems, and turn all collective enterprises and village and town enterprises into joint-stock systems this year. In organizational reform, we will quicken the formulation of reform plans. Our general plan is to complete organizational reform at the country and township levels this year and complete reform in about half of provincial, city, and prefectural departments.

We should open Shandong even wider to the outside world. We should strive to take big steps in utilizing foreign capital, raising the ratio of foreign-funded enterprises that went into operation, importing technology to upgrade outdated enterprises, readjusting export product mix, and expanding exports. Our preliminary plan is: In the next three years, the provincial export-generated foreign exchange earnings will grow more than 15 percent annually, and total foreign funds utilized during the Eighth Five-Year Plan period will increase to \$9.5 billion from the originally planned \$2.5 billion.

We should make great efforts to readjust the economic structure. Shandong has its advantages and strong points, as well as disadvantages and weaknesses. As the next step, we plan to start with our weak links by concentrating on strengthening agriculture as the foundation of the national economy, strengthening basic industry, and strengthening infrastructure construction; successfully carry out the three formidable tasks of developing an export-oriented economy, developing the tertiary industry, and using science and education to invigorate Shandong; and do a good job in carrying out the two transcending projects of developing the "coastal area of Shandong" and Huang He delta so as to form a number of leading industries. Jiang Chunyun said: The implementation of these tasks and projects will provide a reliable guarantee for Shandong's economic take-off.

We should actively promote scientific and technological advances. We should see to it that science and technology are regarded as the primary productive force and that our entire work revolves around scientific and technological advances and improved quality of the work force. We are currently focusing on importing technology to upgrade enterprises and planning to invest 100 billion yuan in the next five years to transform all existing enterprises. We should concentrate our energy on two focal points: One is large and medium enterprises and a number of key enterprises; the other is village and town enterprises, and we should help such enterprises develop themselves on a large scale, improve their product quality, and raise the level of their performance.

We should proceed from reality in looking for a correct path for our development. We should adhere to the ideological line of emancipating our minds and seeking truth from facts, uphold Marxist materialist dialectics, and persist in doing things according to objective law. We should pay attention to integrating the guidelines of

the central authority with Shandong's realities in carrying out work in a creative way. There should be no uniform standard regarding speed. As long as quality, efficiency, and markets are ensured, localities can proceed at a pace at which they are able to grow. Where conditions are not ripe, localities should not be forced to accelerate development.

We should persist in "grasping two links at the same time" and attach equal importance to both links. We should further promote the construction of spiritual civilization, party building, democracy, and the legal system, thereby providing a strong spiritual motivating force, reliable organizational guarantee, and fine social milieu for accelerating economic development.

"Now we are faced with a very rare opportunity and an unprecedented challenge. We must never let it slip away," Jiang Chunyun made a powerful gesture as he spoke of this point.

Shenzhen Asks for More Favorable Policies

HK2303083093 Beijing ZHONGGUO XINWEN SHE in Chinese 0723 GMT 17 Mar 93

[By reporter Zhang Chuanxi (1728 0278 3556)]

[Text] Beijing, 17 March (ZHONGGUO XINWEN SHE)—The Shenzhen Special Economic Zone [SEZ], whose policy superiority has disappeared, has once again asked the central authorities for the power to play "an exemplary role."

When speaking at a group meeting of deputies to the National People's Congress [NPC], Li Youwei, NPC deputy and Shenzhen mayor, said: In his report, Premier Li Peng urged the SEZ to continue to accumulate experience and play "an exemplary role" in establishing a market economic mechanism. This is very encouraging. He said: It is our hope that the central authorities will give us the relevant powers.

Li Youwei said: As China has now opened its doors wide on every side, the zone's superiority in policy has disappeared. Its only remaining special feature is its "special pass."

Li Youwei said: All localities in the country have now pursued a preferential policy and opened their doors to the outside world, thus developing their economies. This shows that the other localities are continuing to follow the path forged by Shenzhen and have thus achieved practical results.

He said: "This is a good thing."

However, he went on to say: Given that the zone's superiority in policy has disappeared, asking it to play "an exemplary role" once again requires that various commissions and ministries of the central authorities give us the relevant powers.

Li Youwei said: "There are still many elements which call for reform, but we do not have enough courage to conduct reform experiments, even though we want to."

He illustrated with an example: The geographic position of Shenzhen's Yantian Port is very important, and it compares with the port of Hong Kong in scale. Its current terminal charges are only about 30 percent of Hong Kong's, however. It appears that the charges are low, but, as the goods of a ship have to go through a dozen rounds of check-ups, with charges collected at each check point, the resulting charges are 100 percent higher than Hong Kong's. Superiority in competition has thus be lost.

He said: Currently, many operational mechanisms need to be boldly reformed.

He asked the central authorities to make more policies in favor of the special economic zone.

Of course, the zone's current "asking for help" is different from its actions in the past. By "asking for help" from the central authorities, the zone intends to focus its greater attention on reforming social mechanisms instead of asking for preferential treatment in object [zhi guan 4160 6034] policies, such as tax reductions or exemptions.

Central Leaders Meet With Guangxi Deputies

HK2403104093 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 18 Mar 93

[Text] On the morning of 18 March, Guangxi Autonomous Region deputies attending the First Session of the Eighth National People's Congress [NPC] continued to deliberate Premier Li Peng's Government Work Report, expressed the aspirations and thinking of the people of various nationalities across the autonomous region, and proposed new measures to push forward economic development and social progress in the region.

Chen Junsheng, state councillor, and Huang Zhendong, minister of communications, came to take part in the discussion on Premier Li Peng's Government Work Report together with deputies of the Guangxi delegation. The deputies enthusiastically took the floor, put forth questions, and made proposals.

Deputy Chen Kejie [regional government chairman] said: Guangxi's endeavor to build an outlet leading to the sea in the vast southwest China involves the issue of communications. He proposed that the Ministry of Communications invest an amount of capital to build the Nanning-Kunming Railway and the highway linking Guizhou to Guangxi's Hechi and Liuzhou. The construction of Qinzhou Port should be listed in the state's plan for port construction. He suggested that the method of raising funds which are partly supported by the state and partly put in by Guangxi be adopted in order to build Qinzhou Port in a proper way. He also suggested that the

Ministry of Communications give support to the harnessing of the river from Nanning to Wuzhou and Guangzhou, and grant some subsidies to the building of the class I highway between Liuzhou and Guilin.

Deputy Chen Kejie reported that there are still 5 million people in Guangxi who have not resolved the problem of having enough to eat and wear, and requested that the central authorities allot funds to help some areas which are still in temporary difficulties.

Deputies Zhao Fulin [provincial party secretary] and Huang Baoyao contributed, saying: As there are no irrigation ditches, grass cannot grow on the mountains. In the rocky mountains along the Sichuan Highway, there are difficulties for both human beings and draught animals. We should resolve practical problems in this area. The deputies focused their discussion on the issue of regional national autonomy. Deputies Chen Kejie and Hao Aiyang took the floor, proposing that regulations and implementation particulars for enforcing the Law on Regional National Autonomy be promulgated as quickly as possible to ensure the implementation of the autonomy law and safeguard the rights of self-government, democracy, and equality in national autonomous regions.

Deputy Lei Yu said: Achieving unity among various nationalities is important to maintaining social stability and solidifying the border areas. Guangxi has drafted regulations on carrying out the Law on Regional National Autonomy, but the central authorities have not yet examined and approved them. He hoped that they would be approved as quickly as possible.

The deputies spoke their minds freely, expressing their views on the issues of properly grasping reform of the administrative structure and government organs. Deputy Liu Mingzu said: Taking good control of the reform of administrative structure and government organs is of paramount importance to developing a socialist economy. The State Council is firmly resolved on these reforms and sticks to the principle of seeking truth from facts. Previously, everything was attended to by the government. To handle an affair, the government had to set up an organ and increase the number of personnel. At present, while laying hold of organizational reform in line with the law of market economy, we should assign jobs to personnel according to different circumstances so that various kinds of talented personnel can play their respective role.

The reform of government organs should be integrated with division of administrative areas. Deputy Li Jingwen said: In the reform of government organs, we should consider setting up a number of central cities, and give full play to the radiating role of these central cities in contributing to economic development of neighboring areas.

The issue concerning how to accelerate economic construction in the ethnic minority regions touched the right chord of every deputy. Deputy Li Jiheng said: Hechi

Prefecture is a place where people of ethnic minorities live in compact communities. Since reform and opening up, the appearance of the entire prefecture has changed. However, due to reasons of history and natural conditions, over 1.7 million people across the prefecture have not resolved the problem of having adequate food and clothing. How to revitalize the economy in the ethnic minority regions is a matter of prime importance to be discussed by leading cadres at all levels. At present, Hechi Prefecture is taking some measures to transfer parts of the masses to develop in Hainan Province and live and work in peace and contentment in the state farms in Beihai, Hepu, and Qinzhou, as well as in places which have not been developed. In addition, some personnel readjustments have been made in villages of the counties where there is plenty of farmland to resolve the problems of production and lives of over 120,000 people throughout the prefecture.

Chen Junsheng said: We will transform some of the cols in Guangxi and mobilize inhabitants living on some cols to move to other places. Having heard the speeches of the deputies, Chen Junsheng said: With regard to the issue of formulating regulations to put into effect the Law on Regional National Autonomy, I suggest that they be discussed, examined, and approved by the NPC. The state should allot funds to solve the problem of transport subsidies.

Huang Zhendong said: The central authorities have planned to allot 570 million yuan to Guangxi for highway construction. As Guangxi is considering establishing the Qinzhou Port construction project, the central authorities will manage to allot some funds for it, and strive to make sure that some funds are earmarked for the harnessing of the Xi Jiang.

DPP Leaders May Visit in Personal Capacity

HK2303121593 Beijing ZHONGGUO XINWEN SHE
in Chinese 0823 GMT 18 Mar 93

[By reporter Lu Junjun (7120 8823 8823)]

[Text] Beijing, 18 Mar (ZHONGGUO XINWEN SHE)—When it was disclosed here this morning that Chang Chun-hung, a person in charge of the Taiwan Democratic Progressive Party [DPP] group in the Legislative Yuan, visited Shenzhen a few days ago, Zhang Kehui, president of the All-China Federation of Taiwan Compatriots [ACFTC], said that if senior DPP members visit the mainland in a personal capacity, the ACFTC is ready to receive them.

At a meeting of the Taiwan delegation to the National People's Congress, Zhang stressed that he was talking about this in his capacity as ACFTC president rather than as head of the Taiwan delegation.

He said: At Chang Chun-hung's request, Guo Pingtan, vice president of the ACFTC and a deputy chief of the Third Bureau of the United Front Work Department of

the CPC Central Committee, and Chang met in Shenzhen on the afternoon of 13 March in their personal capacities.

It is disclosed that the meeting took place through the mediation of ACFTC adviser Zhang Chunnan.

It is learned that during the conversation, which lasted over two hours, they did not touch on a visit by a DPP delegation, still less the issue of talks between the CPC and the DPP in Hong Kong or a third venue. Zhang Kehui said this is because none of them has the right to represent the CPC and no unit or department has authorized them to discuss the issue. Guo Pingtan said only that if relevant persons of the DPP find it inconvenient to come to the mainland, they can meet in Hong Kong or another venue. Zhang said this is an ordinary affair and the conversation was only a general one.

Zhang revealed that there was both consensus and differences during the conversation. For example, Chang held that Taiwan should take the mainland as backing in its economic development. There was consensus on that point. However, Guo and others adopted a critical attitude toward Chang's stand and viewpoint on "Taiwan independence."

He said: The ACFTC is a patriotic mass organization of Taiwan compatriots and its normal business is to carry out liaison work among Taiwan compatriots. Over the years, the ACFTC has had contacts with people from many parties, groups, and organizations in Taiwan, including those from the Kuomintang, the Democratic Socialist Party, the Labor Party, the DPP, and other parties and organizations.

Zhang said: With regard to members of political parties and organizations and noted figures from all walks of life on the island who want to come to the mainland in a personal capacity and who are willing to exchange views on developing cross-strait relations and promoting national reunification, they are always welcome. He said: If the DPP forms a delegation to the mainland to discuss the issue of strengthening cross-strait exchanges and achieving reunification of the motherland, the ACFTC is ready to receive them.

Zhang stressed: Having contact with the DPP does not mean that the CPC has changed its stand on opposing "Taiwan independence."

Guangdong Governor Discusses Economic Development

OW2303224893 Beijing XINHUA Domestic Service in Chinese 0629 GMT 19 Mar 93

[By correspondent Jiao Ran (3542 3544)]

[Excerpts] Beijing, 19 Mar (XINHUA)—"Guangdong should catch up with Asia's four small dragons in 20 years"—Comrade Deng Xiaoping expressed his hope for this during his inspection tour of south China last year.

Today, while speaking on "catching up with the dragons", Guangdong Governor Zhu Senlin, while feeling the pressure, was full of confidence.

Zhu Senlin said: According to the schedule to catch up with the four small dragons, Guangdong's total output value should grow 13.4 percent annually during the first 10 years, and should grow 12.4 percent annually during the second 10 years. With the 12.6 percent average annual growth rate since the 1980's, Guangdong will have to maintain two-digit growth for 30 years. Such a growth rate is uncommon in any country. [passage omitted]

While seeing one's own advantages, one sees hopes; we can gain confidence by seizing the opportunity. Zhu Senlin was full of confidence in catching up with the four small dragons. He repeatedly stressed that the key hinges on how Guangdong will do its work and if it can seize the opportunity. He summed up seizing the opportunity in three moves: we should be more opportunity-conscious, have a stronger sense of urgency, and must not be conceited just because Guangdong is a forerunner in making reforms and in opening up; we should transform state enterprises' operating mechanisms and transform government's functions as soon as possible, and ensure proper regulations and control; and we should further strengthen the foundations for the development of the transportation, energy, communications, and agricultural industries, as well as the development of science, education, and other basic industries.

Zhu Senlin also revealed that the first objective of Guangdong's economic development this year is to ensure that 200,000 people in Guangdong who still do not have enough to eat and wear will be able to keep themselves fed and warm, and that 1 million people in the province who still live in poverty will become better off.

Chen Jinhua, Tianjin Deputies on Work Report

SK2303130793 Tianjin People's Radio in Mandarin 2300 GMT 20 Mar 93

[Text] Tianjin deputies to the First Session of the Eighth National People's Congress continued to discuss Premier Li Peng's Government Work Report at their dwelling places on 20 March. Chen Jinhua, minister of the State Commission for Restructuring Economy, participated in the discussions of the Tianjin delegation and gave a speech on the issue of restructuring economy.

During discussions, the deputies offered many constructive suggestions on scientific and technological structural reform, popularization of the shareholding system, change of the commercial system, and the establishment of the banking industry and stock market.

Deputy (Li Boxi) said: While establishing and developing the market economic system, a fundamental change must take place in the government's economic functions. The basic guiding ideology for changing the

government's economic functions should be: The government must not directly interfere with the microeconomic activities. Things that can be managed by the market must be managed by the market. Government management over markets should be concentrated on certain layers such as making up for the inadequacy of the market. This will not only help give play to the enthusiasm of the localities but also will guarantee the necessary economic regulatory functions of the central government and raise the overall efficiency of the disposition of natural resources.

Deputy (Li Boxi) said: Changing the government's economic functions, we must also relatively reform the administrative system, and in the principle of seeking high efficiency, streamline organs and reduce the number of personnel. Meanwhile, we must establish and improve the social insurance mechanism, and make proper arrangements for the unemployed.

Deputy (Hu Ruqi) said: It is necessary to strengthen research on basic science and pay attention to the hard work of scientific and technical personnel. At the same time, we should adopt a series of policies to encourage and mobilize the enthusiasm of the broad masses of scientific and technical personnel.

Deputy (Hu Ruqi) also gave acute criticism on the unhealthy trends in the current appraisal of projects in the science and technology industry. He said: Falsehood should not exist in science. However, in the process of appraising and examining some projects, the practice of not seeking truth from facts is quite common. Exaggeration exists. That is, the comments on the projects are determined by how much money one pays. Some scientific and technical personnel have a strong aversion to this. This unhealthy trend must arouse the attention of the relevant departments.

After listening to the speeches given by deputies, Chen Jinhua, minister of the State Commission for Restructuring Economy, gave a speech. He said: Our country has made certain progress in the shareholding system experimental work. Regarding procedures of enterprise reform, this system has manifested a fairly strong vitality. He said: So far, our country has more than 3,700 shareholding enterprises. Last year, more than 400 enterprises of this category were approved. The development trend is vigorous. However, some problems on failing to set proper norms exist.

Chen Jinhua said: According to the original demand of the shareholding system, the emphasis should be placed on changing the operational mechanism of enterprises, separating government administration from enterprise management, and allowing enterprises to manage their business independently. In foreign trade enterprises, we should place the emphasis on [words indistinct].

Chen Jinhua said: This year, we will continue to expand the shareholding system experiments in selected units, set strict standards and advance the work steadily so as to seek sound development. He said: The important

status of Tianjin can never be matched by other cities. Tianjin has good basic conditions. It is also an old industrial base of our country, with strong personnel and geological advantages as well as strong internal coordinated and supporting advantages of large industrial enterprises. Tianjin should expand its reform strength, give play to its advantages, and try to develop industries of scale in an effort to promote great economic development.

Gansu Secretary on Catching Up With Coastal Areas

HK2403092893 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 23 Mar 93

[Text] Deputy Gu Jinchi, secretary of the provincial party committee, who is attending the First Session of the Eighth National People's Congress, said when interviewed by a reporter from this radio station a few days ago: To narrow the gap between Gansu and the coastal areas, it is necessary to further emancipate our minds and take a more farsighted view on things. We should emulate not only the advanced experience and technology of foreign countries, but also the successful experience and practices of the developed coastal areas. Moreover, we should make bold experiments.

Deputy Gu Jinchi said: Our province is situated in the hinterland, which has conditions not comparable to the coastal areas. It will not do if we follow the beaten track in a self-closed circle according to the conventional development model. The more backward place we are in, the more necessary it is for us to smash the trammels of outmoded ideas. He added: At present, some of our cadres are content with the existing state of affairs, lacking lofty aspirations and great ideals to make giant strides. This is an unfavorable factor that restricts the emancipation of the mind. Hence, we must further emancipate our minds and seek truth from facts. We should boldly absorb foreign capital as well as capital from the coastal areas.

Deputy Gu Jinchi is full of confidence in the province's economy to scale further new heights. He said: Although we have many disadvantages in economic development, yet we should also note our strong points and consider matters mainly proceeding from the actual conditions.

Deputies Discuss Constitutional Revisions

OW2403061493 Beijing XINHUA Domestic Service in Chinese 1540 GMT 23 Mar 93

[Text] Beijing, 23 Mar (XINHUA)—The First Session of the Eighth National People's Congress [NPC] began small group meetings on 22 March to deliberate "draft of proposed revisions of the PRC Constitution." According to XINHUA reports from 32 delegations, all delegations are holding very lively discussions. They universally [pu bian 2528 6664] think that the proposed revision on officially including the theory on building socialism with Chinese characteristics and the party's basic line of

taking economic construction as the central task in the Constitution is a scientific summation of our experience of the more than 10 years of reform and opening up, and it is of great immediate importance and far-reaching historical significance. At the same time, the deputies also put forward some concrete opinions concerning the constitutional revisions.

The deputies contend that the current PRC Constitution, adopted by the Fifth Session of the Fifth National People's Congress in 1982 and revised by the Seventh NPC in 1988, has been proven by practice to be a good Constitution which has Chinese characteristics and meets the needs of modernization. Nevertheless, with the progress of reform, opening up, and modernization, some of its articles no longer conform to the realities of life today. For this reason, the current proposed revisions meet the objective demand of reform, opening up, and modernization and are a proper move for the country's reform and development.

Many deputies pointed out: Although the proposed revisions will not change too much wording, they reflect major changes in our country's political, economic, and social lives. Hunan Deputy Liu Fusheng said: The proposed revisions will serve to confirm certain major issues of the country's development and construction. In particular, the revisions will add to the Constitution "the initial stage of socialism," "persisting in reform and opening up," and "practicing a socialist market economy by the state." The additions accurately and fully reflect the realities of the current period. The proposal also calls for changing "a high level of culture and democracy" to "prosperity, democracy, and culture [wen ming 2429 2494]," thereby giving prominence to economic construction and explaining more clearly the relationship between the economic base and the superstructure. Jiangsu Deputy Cao Hongming said: The proposed revisions call for the addition of "the household contract responsibility system with remuneration linked to output" to the Constitution, suggesting that the state will implement and develop the system in rural areas for a long time. The proposed revisions call for changing "state-run economy" to "state-owned economy." The one-word change is no small matter, because it will separate the power of operation from ownership in state-owned enterprises, thereby providing a legal guarantee for changing the operational mechanisms of enterprises. It is conducive to our adoption of diversified operational and managerial forms to invigorate state-owned enterprises. Beijing deputy Pu Jiexiu said: The proposed revisions call for an addition to the Constitution that the system of multiparty cooperation and political consultation under the CPC leadership will exist and develop for a long time. The addition is very necessary and will be conducive to long-term social stability.

Some deputies said: After the revision, the Constitution will become even more useful to our practical work than the current Constitution. Sichuan Deputies Peng

Fusheng and Shuipu Laoma said: The proposed revisions call for changing the term of county and district people congresses from "three years" to "five years." The proposed change meets the actual needs. It will help arouse enthusiasm among grass-roots cadres and help keep grass-roots work stable by changing the old situation of "looking on in the first year, working in the second year, and waiting to be replaced in the third year."

The deputies said: The proposed revisions of the Constitution reflect the aspirations of the broad masses of the people. Jiangxi Deputy Cheng Guangru said: The proposed revisions show that our state, for a considerably long time to come, will use the revised Constitution in guiding the country's concrete practice of reform, opening up, and modernization. They are a concrete embodiment of Comrade Deng Xiaoping's thinking on persevering in the basic line for 100 years. The revised Constitution will provide the most effective legal guarantee for our reform, opening up, and modernization in the days to come, and it will become an even more authoritative fundamental law of the country.

Background Feature on Four Constitutions

OW2203141093 Beijing XINHUA in English 1403
GMT 22 Mar 93

[Text] Beijing, March 22 (XINHUA)—Four Constitutions of the People's Republic of China (PRC) have been promulgated since its founding in October 1949.

The first Constitution, consisting of 106 articles in four chapters, was adopted at the First Session of the First National People's Congress in 1954. Seven National People's Congresses had existed up to March 15, 1993, when the new one, with a term of five years, opened its first annual session in Beijing. Embodying the principles of democracy and socialism, the Constitution of 1954 provided that China was a socialist state under the people's democratic dictatorship led by the working class and based on alliance of workers and peasants; all power in the state belonged to the people, the organs through which the people exercised state power were the National People's Congress (NPC) and the local people's congresses at different levels. The NPC and local people's congresses and other state organs applied the principle of democratic centralism.

The first Constitution said that all nationalities in PRC were equal, the state upheld socialist road, the fundamental task during the transition period was to accomplish socialist industrialization, to accomplish socialist transformation of agriculture, handicrafts industry, and capitalist industry and commerce. It also said that the policy of the state towards capitalist industry and commerce was to use, restrict and transform them.

The 1975 Constitution, which was adopted at the First Session of the Fourth NPC, was formulated under the special historical conditions as the "Cultural Revolution" had not come to an end and was a product of "left"

ideology. It left out many elements that are indispensable to a Constitution, and therefore it was unable to play the role of the fundamental state law which sets the norms of the state life. It justified the "Cultural Revolution" and its stipulations on the state organs were far from complete. The presidency of PRC was abolished.

The 1978 Constitution, adopted at the First Session of the Fifth NPC, and revised on the basis of the 1975 Constitution, stipulated various principles and specific measures for the people to participate in the management of the state, economic and cultural undertakings; restored the procuratorates, abolishing the stipulation that their functions be handed over to the security departments; added stipulations on basic rights and duties of the citizens. Due to historical limitations, the 1978 Constitution was unable to break away thoroughly from the influence of the "left" thinking of the "Cultural Revolution". It still contained some incorrect political and theoretical points of view and some stipulations that were at odds with the realities.

The 1982 Constitution, adopted at the Fifth Session of the Fifth NPC, was an all-round revision of the 1978 Constitution. The revision was presided over by the Constitutional Revising Committee which was founded according to a decision of the Third Session of the Fifth NPC. The Constitution, consisting of 138 articles in four chapters, carried forward and developed the basic principles of the 1954 Constitution, summed up the experience of the socialist development in China and absorbed international experience. This Constitution, showing Chinese characteristics, was designed to meet the needs of China's socialist modernization program. It stipulates that China takes the four cardinal principles—socialist road, people's democratic dictatorship, leadership of the Communist Party and Marxism-Leninism and Mao Zedong Thought—as guidelines and that the basic task of the nation is to concentrate its effort on socialist modernization. In developing socialist democracy, it provides that all citizens are equal before the law, no organization nor person has the privilege of overstepping the bounds of the law. On basic rights and duties of citizens, the 1982 Constitution has not only restored the relevant contents of the 1954 Constitution but also added new contents to make them more specific and explicit. On state organs, it has strengthened the people's congress system and transferred a part of the rights of the NPC to its Standing Committee. It restored presidency as representing the head of state. It also provides that the state leaders must serve no more than two consecutive terms, abolishing the de facto life term of leading officials.

The First Session of the Seventh NPC in 1988 approved amendments to the Constitution, which say that the state permits private economy to exist and grow within the limits prescribed by law and that the land use rights can be transferred through legitimate means.

The current session of the Eighth NPC is deliberating some further amendments.

Larger Shares Seen for Bankers as Market Grows
OW2303132593 Beijing XINHUA in English 1306
GMT 23 Mar 93

[Text] Beijing, March 23 (XINHUA)—President of Bank of China Wang Deyan said here today that overseas financial institutes will "get thicker shares of the cake" of China's market as the country's economy grows.

The banker said that as long as China sticks to the 8-9 percent growth rate of economy in the coming years, participants in the country's financial market will see great development of business.

Wang made the remarks at a press conference held today at the Information Center of the ongoing First Session of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC).

Wang, a CPPCC member, said that the Bank of China adopts a positive attitude toward the influx of foreign financial institutes. By the end of 1992, 70 foreign banks, insurance companies and other financial institutes have set up their branches in China.

Wang admitted that there are competitions between the foreign banks and the state-owned banks of the country. But he said that the introduction of foreign banks has brought "fresh air" to the long-closed financial circles of the country.

He said while the foreign bank branches in China boosted their total volume of deposits and credits by 16 percent and 11 percent respectively in 1992, the bank of China saw remarkable increase in business.

He said foreign bank branches provide better consultation service for investors from their own countries on China's economic situation and investment environment. They also enhanced business links between the country's central bank and major banks of other countries.

Referring to a question on the devaluation of renminbi (RMB) yuan, Wang said, relevant Chinese Government departments have taken some measure to check the devaluation and the measures have initially proved effective.

He said the drastic fluctuation of exchange rates of RMB yuan in a short period have more negative effects than positive ones on both domestic and overseas investors.

Wang said that the impact on the people of the alleged lifting of the control over foreign exchange quotas and the alleged free floating of exchange rates of RMB yuan and increased import in the second half of last year triggered a slide of the exchange rates of RMB yuan against foreign currencies.

At today's press conference, Gao Shangquan, vice minister of the State Commission for Restructuring the Economy, and economist Ma Yi also answered questions raised by reporters. The two are also CPPCC members.

Answering questions raised by reporters, Gao Shangquan said that the government will employ principles governing market economy to exercise regulation and control over certain over-heated sectors of the economy, including securities market, real estate, setting up of development zones.

For example, in order to prevent enterprises from blindly issuing shares to raise fund, certain conditions and requirements have been set for enterprises to be converted into share-holding companies and list shares on domestic or international markets.

The government will also assess the setting up of development zones, ensuring that all investments are made with high economic returns.

Guangdong Leaders Seek To Learn From Shanghai

OW2403063793 Beijing XINHUA Domestic Service in Chinese 1425 GMT 23 Mar 93

[By Jiao Ran (3542 3544)]

[Text] Beijing, 23 Mar (XINHUA)—This reporter had breakfast this morning with some National People's Congress [NPC] deputies, including Guangdong party and government leaders Xie Fei and Zhu Senlin and Zhu Wanli, president of the Guangdong provincial people's bank. During the breakfast, Deputy Xie Fei told Deputy Zhu Wanli: The Guangdong Province leaders have decided that a delegation will be organized and will visit Shanghai to learn from Shanghai's experience as soon as the current NPC session is over.

The reporter told Deputy Xie Fei that people are talking about Guangdong's intention to compete with Shanghai. Deputy Xie Fei, evading a direct response, said: "If everyone wants to make progress, our country will be full of promises."

According to Guangdong deputies, Zhe Rongji said several years ago that Shanghai's stock market was not as good as the stock market in Shenzhen, and he asked Shanghai to learn from Shenzhen. Guangdong's leaders think that Shanghai has moved ahead in development in last two years and that Guangdong now should learn from Shanghai.

Deputy Lin Ruo said: Guangdong wants to learn from the good experience of other provinces. While we should learn from foreign managerial methods during the course of opening up, we should learn even more from good examples at home during the course of developing an open domestic economy.

Zou Jiahua, Gu Mu Attend Song Festival

OW2403055193 Beijing XINHUA Domestic Service in Chinese 1553 GMT 23 Mar 93

[By reporters Ren Weidong (0117 5898 2639) and Chen Ming (7115 6900)]

[Text] Beijing, 23 Mar (XINHUA)—National People's Congress [NPC] deputies and Chinese People's Political Consultative Conference [CPPCC] members from the Guangxi Zhuang Autonomous Region attending the First Session of the Eighth NPC and the First Session of the Eighth National Committee of the CPPCC gathered at the Cultural Palace of Nationalities in Beijing this evening to celebrate the "Third of the Third Moon" song festival, which is a traditional holiday of the Zhuang nationality. Zou Jiahua, Gu Mu, and other leading comrades made a special trip to attend the gathering, as did some NPC deputies and CPPCC members of the Tibetan, Uygur, and other minority nationalities.

Autonomous regional Chairman Cheng Kejie—smartly dressed in a Western business suit—and famous Guangxi soprano Tang Peizhu—richly garbed in an ethnic costume—are both NPC deputies. They opened the gathering by singing a song together. Many NPC deputies and CPPCC members went on stage to sing. Comrade Gu Mu was even lucky enough to receive a silk ball thrown in his direction. Jiang Dawei and Jiang Kun also staged brilliant shows for those present.

Bank Head, Henan Deputies on Financial Situation

OW2303134393 Beijing XINHUA in English 1323 GMT 23 Mar 93

[Text] Beijing, March 23 (XINHUA)—By the end of 1992, bank deposits owned by Chinese enterprises and individuals had exceeded 2,000 billion yuan, according to the governor of China's central bank, Li Guixian.

Li revealed the figure in a group discussion with deputies from Henan Province attending the ongoing session of the National People's Congress.

Li called China's financial situation as "generally good."

He noted that the country's GDP grew 12.8 percent between 1991 and 1992, against a price hike of 5.4 percent in the same period.

Last year, Li said, retail sales throughout the country were up 15.7 percent in value over the previous year, 2.5 percentage points bigger than the precious jump.

"This shows that withdrawal of money from circulation driven by brisk retail sales was normal," he said, conceding at the same time that the increases in bank savings was not as high as in precious years.

According to Li, depositors total 685 million in number in China Industrial and Commercial Bank and China Agricultural Bank.

Bu He on Inner Mongolia's Economic Development

OW2403063693 Beijing Central People's Radio
Network in Mandarin 2230 GMT 23 Mar 93

[Interview With Bu He, NPC deputy and chairman of Inner Mongolia, by station reporter Li Guolin; place and date not given; from the "News and Press Review" program: "Push Economic Development to a Higher Level By Giving Scope to Regional Strengths"—recorded]

[Text] [Li] Comrade Bu He, Inner Mongolia is an important frontier region of China. Because of various causes in the past, its economic development lagged considerably behind that of coastal areas. What has Inner Mongolia accomplished in accelerating reform and opening up to the outside world?

[Bu] Historic changes have taken place in Inner Mongolia over the past five years, especially since 1992. For the first time, the region's grain output exceeded 10 billion kg in 1992. Inner Mongolia has become one of the nation's regions in which the per capita share of grain is high. The situation of opening border areas to the outside world has also been satisfactory. The total import and export volume of our border trade last year exceeded that of five years ago by several dozen times. The situation in Inner Mongolia has become one characterized by economic prosperity, national solidarity, and social stability. In terms of national solidarity and social progress, last year was one of the best periods in Inner Mongolia. Of course, we must soberly be aware that our region still lags far behind the developed coastal areas.

[Li] How is Inner Mongolia going to take advantage of the opportunities at home and abroad to speed up its economic development and reduce the gap between Inner Mongolia and developed areas?

[Bu] My observation on this issue is that we must, while striving to establish a socialist market economic system, continue to deepen reform, open wider to the outside world, and liberate our productive forces to the fullest extent. This will determine whether we can speed up our economic construction. We should consider Inner Mongolia's actual situation. Inner Mongolia has rich natural resources. This is our greatest advantage. On the position of building bases producing coal, iron, petrochemical products, construction materials, and other raw and semifinished materials, we must work hard to develop industries in these fields. For example, Inner Mongolia has a considerable potential for thermo power generation. Considering the need of electricity in the Beijing-Tianjin areas and the three provinces in northeast China, much can be accomplished in developing Inner Mongolia's power industry. By doing this we can lay a strong and reliable (?foundation) for greater and faster economic development. When we have rapid economic

development and intensify our spiritual construction, we can promote solidarity and progress among our people of all nationalities.

Qinghai Secretary Discusses Exploiting Resources

OW2303235293 Beijing XINHUA Domestic Service in Chinese 0158 GMT 23 Mar 93

[By XINHUA reporters Wang Hongwei (3769 1347 0251) and Zhang Yinshu (1728 6892 2562)]

[Text] Beijing, 23 Mar (XINHUA)—It seems that China has never paid so much attention to opportunities and valued them as much it does now. Yin Kesheng, who has been provincial party secretary for eight years, also talked about opportunities. However, he talked was about ways to seize the opportunity: Opportunities only last for a short time. Particularly regarding Qinghai, a place that relatively lags behind in economic development, it is necessary for it to actively take the initiative in creating and seizing opportunities.

Yin Kesheng, 61, went to the spacious northwest China when he was 17. He entered Chaidamu basin in 1954 and spent 40 years on the Qinghai plateau. As a provincial party secretary with the longest term of office in Qinghai, he has traveled throughout the autonomous prefectures, prefectures, and counties in Qinghai and has made an objective assessment on Qinghai's current situation: Although Qinghai improved greatly in the economy over the past few years and has laid a good foundation, it has, in general, not yet changed its low growth rate.

Regarding opportunity, he first touched on lessons and inspirations. He said: As early as 1982 and 1984, we had worked out an "eight-point" and a "13-point" policy for developing Qinghai's economy and resources. These policies are useful even today, and some provinces even copy our policies. For a variety of reasons, however, these policies were not carried out and became "idle theories." This lesson is profound, for it tells us that if we do not change our mindsets and still go about within the framework of a planned economy and administrative means, we would let good opportunities slip away in front of us.

"Letters from the prosperous area south of Chang Jiang also reach the remotest corner of the earth; the blooming plum blossoms herald the advent of spring." Deputy Yin Kesheng cheerfully told these reporters: Since Comrade Deng Xiaoping's important talks in his south China tour set off another upsurge of reform around the country, the Qinghai provincial party committee and government have judged the hour, sized up the situation, and drawn up another set of 22 policies and measures on accelerating the pace of developing Qinghai's resources. The policies and measures have received support from cadres and the masses. Over the past year, Qinghai Province widely and extensively exploited resources, creating an

unprecedented good trend. As a resources-affluent province, Qinghai has really grasped the golden key to the treasure-house of resources. The key now lies in changing mindsets and concepts.

At this point, Deputy Yin Kesheng told the following tale: Not long ago, an autonomous prefecture in Qinghai with rich resources of medicinal materials and the Guangzhou Baiyunshan pharmaceutical factory held talks on a plan for jointly developing the sources of Chinese herbal medicine. After inspecting the area, the pharmaceutical factory held that the prospects for the project were good and was willing to increase investments. However, this autonomous prefecture would not agree with the plan under any circumstances for fear of suffering losses if they were to divide profits according to investment shares.

Having finished this story, Deputy Yin Kesheng smiled and said: How can such a concept meet the needs for the development of a market economy? The first thing a province such as ours should do is to open up and dismantle the door. Because of our weak economic foundation and shortages of funds and personnel, we must take the road of "going upstairs with borrowed ladders and making a fortune by taking advantage of other localities." We should shake off the trammels of the planned economy, foster the idea of making market demand as our primary target, coordinate businesses from all directions, and introduce advancements into the province. Second, we should change our concepts. Do not be afraid to grant benefits and suffer losses. Granting benefits to others is gaining benefits for ourselves, for only by sharing our benefits with others can we share those of theirs. Third, we should go all out to develop individual, private, cooperative, share-holding, and other economic sectors.

Yin Kesheng said: China certainly has encountered a good opportunity for a great development. What should each locality do? What kinds of small opportunities are included in big opportunities? It is clear that we must find our own position. To us, the first thing is to set the target and learn to swim in the ocean of the market economy.

Jiang, Sichuan Deputies Discuss Productivity

OW2303132693 Beijing XINHUA in English 1302 GMT 23 Mar 93

[Text] Beijing, March 23 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party (CPC) Central Committee, urged Sichuan to develop itself into "a genuine land of plenty" at a group discussion held by Sichuan deputies to the National People's Congress now in session here.

Top in Jiang's mind was development of agriculture in Sichuan.

Sichuan has long been known as a "land of plenty," Jiang said, as a province with a population of more than 100

million, its economic situation has a vital importance for the stability and development of the entire nation.

"If major problems should disrupt Sichuan's agriculture, there would be unthinkable consequences," he said.

While saying that increased input and alleviation of farmers' burdens are important, Jiang pointed out that the key to sound agricultural development lies in government officials improving their style of work.

He called on them to do investigations and, together with farmers and agronomists, work out ways to boost agricultural production.

"Sichuan should speed up the development of township enterprises and the service industry," he said.

Meanwhile, Jiang said, the province should lay a solid foundation in the way of infrastructure and basic industries, conditions for an economic takeoff to come.

"Sichuan has bright prospects and will surely become a genuine 'land of plenty' in future," Jiang said.

Jiang also pointed to the important role to be played by the province's defence industry.

Sichuan has a concentration of weapons factories with a strong contingent of engineers and technicians, he said.

"For Sichuan, this is a great advantage," he said. "When this advantage is made full use of, Sichuan will take on a new look economically."

Jiang called for the provincial government to make it an integral part of the province's overall development strategy.

Success in this regard will contribute to Sichuan's economic and social development, to its opening to the outside world, and to its social stability, he said.

Conceding the existence of an economic gap between China's east and west, where Sichuan is, Jiang said development in a specific area is constrained by its existing conditions.

"The important thing is to combine the principles of mind emancipation and seeking truth from facts," he said.

People should be both bold and respectful of realities, he said.

Sichuan has the potential to catch up with coastal provinces, Jiang said, citing as proof the province's lead in steelmaking, car-making, machine-building, electronics and satellite launching.

Hu Jintao Stresses Stability in Development

OW2303135593 Beijing XINHUA in English 1344
GMT 23 Mar 93

[Text] Beijing, March 23 (XINHUA)—A top Chinese leader said here today social stability is the fundamental guarantee for smooth economic development.

When discussing reports of the Supreme People's Court and the Supreme People's Procuratorate with Tibet deputies to the Eighth National People's Congress (NPC), Hu Jintao, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), said that under new historical conditions the judiciary work should be strengthened.

The two reports aroused a heated discussion among Tibet deputies, whose speeches were concentrated on public security, legal system construction and economic development in coordination with progress of social ethics.

Hu said that over the past five years, courts and procuratorates at all levels have made outstanding achievements in maintaining social order and social stability and ensuring smooth progress of reform, opening up and modernization program.

He noted the deepening of the reform and opening up and economic development need a favorable social environment. The establishment of a socialist market economy also calls for strengthening construction of the legal system so as to standardize the market behavior with legal means and ensure healthy and orderly development of the socialist market economy.

Under new historical conditions, it is necessary to vigorously strengthen construction of the legal system, the judiciary work and the CPC's leadership over the judiciary work, he added.

On Tibet's work, Hu said it is necessary to firmly safeguard the unity of the motherland and strengthen unity among nationalities in the course of building a new socialist Tibet. He called for endeavor from all the people and use of legal means to ensure the lasting stability of Tibet.

"So long as we earnestly carry out the basic line of the CPC and the central authorities' special policies towards Tibet, strengthen unity among people of all nationalities and patriots from all circles, cooperate sincerely and further consolidate and perfect the patriotic united front, we can surely overcome all difficulties and build a united, prosperous and civilized new socialist Tibet," he said.

Yunnan To Supply Electricity to Guangdong, Asia

HK2403061293 Beijing ZHONGGUO XINWEN SHE
in English 1152 GMT 23 Mar 93

[Text] Beijing, March 23 (CNS)—Deputy to the National People's Congress and Deputy Director of the Yunnan provincial Department of Water Conservancy and Hydroelectricity, Mr. He Gong, speaking in an interview with this agency, said that Yunnan Province would start to supply electric power to Guangdong Province in June with a total of 600 million kilowatt/hours this year and by the end of the century this would increase to three billion kilowatt/hours annually. The province would also be able to supply energy to countries of Southeast Asia including Thailand.

Hydroelectric power generated in the province has now reached more than 4 million kilowatts which will increase to 8 million kilowatts by 1999 and to 50 million kilowatts by the second decade of the new century.

According to Mr. He, the province plans to set up four hydroelectric power plants on the Lancang River in the next decade or so with gross installed capacity of 12.05 million kilowatts.

Mr. He revealed that the Jinghong power plant in Xishuang-banna will be run by foreign investors in terms both of investment and operation. The plant with a capacity of 1.5 million kilowatts will transmit electricity to Southeast Asia. The project has attracted many Thai businessmen and negotiations between the Chinese side and foreign businessmen are now underway.

Mr. He said that foreign investment in Yunnan's hydroelectric power production items was cordially welcomed.

Hong Kong Motion Placed on Session Agenda

OW2403090393 Beijing XINHUA in English 0848
GMT 24 Mar 93

[Text] Beijing, March 24 (XINHUA)—The Presidium of the ongoing First Session of the Eighth National People's Congress (NPC) today decided to put on the session's agenda a motion on establishing a Preliminary Work Committee for the Preparatory Committee of the Hong Kong Special Administrative Region (SAR).

The draft decision concerning the motion will be distributed to delegations to the current NPC session for further deliberation, according to the Presidium.

The Presidium made the decision at its third meeting here this afternoon.

The motion was proposed by the Guangdong delegation to the NPC session on March 20.

Tsang Hin Chi, vice-chairman of the Chinese General Chamber of Commerce of Hong Kong and one of the sponsors of the motion, told XINHUA that, according to the Basic Law of the Hong Kong SAR, a preparatory committee for the Hong Kong SAR Government will be

set up in 1996, one year before China resumes exercise of sovereignty over Hong Kong.

The majority of NPC deputies from Hong Kong consider the one-year preparatory period too short, he added.

This is especially so in view of the grave situation at present, with the British side possibly clinging obstinately to its course and adopting a non-cooperative attitude, he said.

"Therefore, it is necessary to establish a Preliminary Work Committee for the Preparatory Committee," he said.

Presidium Approves Draft on Work Report

OW2403090693 Beijing XINHUA in English 0848
GMT 24 Mar 93

[Text] Beijing, March 24 (XINHUA)—The third meeting held here this afternoon by the presidium of the First Session of the Eighth National People's Congress (NPC) approved a draft resolution on Premier Li Peng's report on government work.

The draft resolution will be submitted to the full session for examination and approval.

At the meeting, the presidium also passed:

- A decision to submit draft amendments to the constitution to all the delegations of deputies for deliberations.

- Examination reports, delivered by Liu Suinian, chairman of the Eighth NPC Financial and Economic Committee, on national economic and social development for 1992 and the draft 1993 plan,

- Draft resolutions on the aforesaid national economic and social development for 1992 and the draft 1993 plan for examinations by delegations of deputies before being submitted for a vote by the full session.

- Examination reports by Liu Suinian on behalf of the Eighth NPC Financial and Economic Committee on the implementation of the 1992 National Budget and the Draft National Budget for 1993.

- Draft resolutions on the aforesaid implementation of the 1992 National Budget and 1993 National Budget, for examinations by all delegations of deputies before being submitted to the full session for a vote.

The Guangdong delegation proposed a motion to the first session on the establishment of a preliminary work committee for the preparatory committee of the Hong Kong Special Administrative Region (SAR).

The executive chairmen of the session presidium, after discussions, proposed that the motion be included on the session's agenda. At its meeting today, the presidium passed a draft resolution on the motion, which will be submitted to the delegations for examination.

At the meeting, the presidium approved draft lists of candidates for the positions of chairman, vice-chairmen, secretary-general and members of the Standing Committee of the Eighth NPC, candidates for president and vice-president of the People's Republic of China and chairman of the Central Military Commission of China, candidates for president of the Supreme People's Court and procurator-general of the Supreme People's Procuratorate.

The lists of candidates, as nominations of the session's presidium, will be submitted to delegations for discussions.

The lists of candidates were recommended by the Central Committee of the Communist Party of China (CPC).

According to provisions of the constitution, the premier of the State Council, other members of the State Council, and other members of the Central Military Commission will be nominated respectively by the state president, the premier and the chairman of the Central Military Commission.

Hu Jintao, an executive chairman of the presidium, gave an explanation on the draft candidate lists at the meeting.

The Eighth NPC First Session begins tomorrow discussions on candidates for top posts of the NPC, state, and government.

Deputies Propose Amendments to Constitution

OW2403090893 Beijing XINHUA in English 0850
GMT 24 Mar 93

[Text] Beijing, March 24 (XINHUA)—More than 2,000 deputies to the Eighth National People's Congress (NPC) proposed today supplementary amendments to the Constitution on the basis of a similar proposal submitted by the Chinese Communist Party (CPC) Central Committee on March 14.

The third meeting of the Presidium of the NPC first session passed the supplementary amendments today for deliberations by the full session.

The supplementary amendments were proposed jointly by 2,383 deputies.

As suggested by executive chairmen of the Presidium, the deputies' proposed supplementary amendments will be merged with the draft amendments proposed by the Seventh NPC Standing Committee to become "Draft Amendments to the Constitution of the People's Republic of China."

According to Article 64 of the constitution in force, amendments to the constitution are to be proposed by the NPC Standing Committee or by more than one-fifth of congress deputies and adopted by a vote of more than two-thirds of all congress deputies.

Qin Jiwei Not on Chairman, Vice Chairmen List
HK2403042093 Hong Kong MING PAO in Chinese 24 Mar 93 p 6

[Report: "Candidates for NPC Chairman and Vice Chairmen Have Been Decided"]

[Text] The candidates for the chairman and vice chairmen of the National People's Congress [NPC] have been decided. Qiao Shi, member of the CPC Central Committee Political Bureau Standing Committee, will be chairman; Hu Jintao, another member of the Political Bureau Standing Committee, will be first vice chairman; and Tian Jiyun, member of the Political Bureau, will be executive vice chairman and secretary general. Yang Baibing, a Political Bureau member who has been stripped of his military powers, is also included on the long list of 20 vice chairmen.

According to the congress agenda, elections of the chairman, vice chairmen, secretary general, and members of the Standing Committee of the Eighth NPC will be held on the afternoon of 27 March. As the number of seats is equal to the number of candidates for the chairman, vice chairmen, and secretary general, those included on the list are the only nominees.

Apart from the CPC figures, the vice chairmen of the Eighth NPC will include seven nonparty deputies and four deputies from the minority nationalities. They are: Hu Jintao, Tian Jiyun, Wang Hanbin, Yang Baibing, Li Ximing, Wang Bingqian, Ni Zhifu, and Chen Muhua (these are CPC deputies); Fei Xiaotong (China Democratic League), Lei Jieqiong (China Association for Promoting Democracy), Sun Qimeng (China Democratic National Construction Association), Wang Guangying (All-China Federation of Industry and Commerce), Lu Jiaxi (Chinese Peasants' and Workers' Democratic Party), Li Peiyao (Revolutionary Committee of the Chinese Kuomintang), Wu Jieping (Jiusan Society), Cheng Siyuan (no party affiliation), Bu He (Monggol nationality and son of Ulanfu, late vice president), Gan Ku (Zhuang nationality and chairman of the Guangxi autonomous regional people's congress), Tomur Dawamat (Uyghur nationality and chairman of Xinjiang autonomous regional government), and Pagbalha Geleg Namgyai (Tibetan nationality and chairman of Tibet Chinese People's Political Consultative Conference [CPPCC]).

It is rather unexpected that Hu Jintao and State Councilor Wang Bingqian are included in the above list, while Qin Jiwei, who has withdrawn from the Political Bureau, is not. It has been reported that, although Hu Jintao's name goes before Tian Jiyun, Tian will preside over the future routine work of the NPC Standing Committee; Wang Hanbin will be responsible for legislation work; and Yang Baibing and Li Ximing will have no fixed duties.

Compared with the Seventh NPC, those relieved from the current office of vice chairmen include Xi Zhongxun, Peng Chong, Ngapoi Ngawang Jigme, Saifuding Aizezi,

Zhou Gucheng, Rong Yiren, Ye Fei, and Liao Hansheng. Among these, Rong Yiren will assume the office of vice president, and Ngapoi Ngawang Jigme will be CPPCC vice chairman.

Deputies Reportedly Resent Institutional Reform
HK2403073293 Hong Kong MING PAO in Chinese 24 Mar 93 p 6

[Report: "Many National People's Congress Deputies and Officials Are Strongly Dissatisfied With Institutional Reform"]

[Text] The state institutional reform program has met with strong opposition at the National People's Congress [NPC] and Chinese People's Political Consultative Conference [CPPCC] sessions. In principle, the program has been ratified, but many deputies at and outside the sessions have expressed strong resentment.

Henan NPC delegation member Li Chao asked: Is there any "officials' will" or human factor in the current state institutional reform? How is it considered? When a decision on the abolition of the State Economic Commission was made at the Seventh NPC, quite a number of people asked who would exercise management over production. When the Ministry of Electronics Industry was abolished at that time, quite a number of veteran experts in electronics circles cried. Now these two organizations have been restored, but the Ministry of Aeronautics and Astronautics Industry will be abolished. What will the result be?

Li Chao continued: Also, it is improper to put the institutional reform program to a one-time vote. There will be 41 ministerial and commission organizations after the current institutional reform. If someone only agrees with 30 of the organizations, should he vote for or against?

Another Henan NPC delegation member named Zhang Ming said that careful consideration is necessary before the Ministry of Aeronautics and Astronautics Industry is abolished. Aeronautics and the astronautics industry have major bearings on national defense and the national economy. Moreover, this industry is a technology- and knowledge-intensive industry which requires macroregulation and control. China's aeronautics and astronautics industrial structure is irrational, there is a big gap with world standards, and it cannot properly meet the needs of national defense and the national economy at present. It will be inappropriate to abolish this ministry.

Anhui NPC delegation member Chen Xinzhaoh said: Since 1949, there have been more than 10 changes in the Ministry of Machine Building Industry, full of reversals. The current change is actually based on the previous adjustment, now "it is reversed again."

Another Anhui NPC delegation member named Wu Huaxia pointed out that because of the several adjustments in the Ministry of Machine Building and Electronics Industry, officials in this ministry said analogously that this ministry "conducts research in odd-number years and relocates in even-number years."

Zhang Yannian, deputy director of the Economic and Trade Office under the State Council, said: This institutional reform program is of a transitional nature with not too fast a pace, but it is unduly early and lacks intensity. He added: After the reform, it is very important to define departmental functions. It does not matter how to call it, you may call it ministry or federation, but the personnel are the same and are quite familiar with the previous management methods. In particular, some ministries are wholly turned into federations. If this becomes worse, we could go back to the old road.

Huang Kehua, director of the Shandong Provincial Finance Department and NPC deputy, said: The current reform is proceeding at a small pace. Localities should go ahead a little faster to save the trouble of carrying out adjustments again in the future, because people are worried about so many adjustments.

Whereas a Beijing NPC deputy who was unwilling to reveal his identity said: The final result of the current institutional reform will be "nipping the bud." For example, the Ministry of Textile Industry has always done well in streamlining administration and it does not have many subsidiary companies, but will be abolished after repeated consideration.

Officials from some departments which have been cut and renamed who did not attend the "two sessions" also expressed dissatisfaction and worry over the state institutional reform program.

Governor Says Liaoning Seeking Stock Exchange
OW2403132493 Beijing XINHUA in English 1305
GMT 24 Mar 93

[Text] Beijing, March 24 (XINHUA)—Liaoning Province, one of China's industrial bases, will adopt the shareholding system as an important form of organization to revitalize large and medium-sized state-owned enterprises, Governor Yue Qifeng said at a press conference here today.

The governor, a deputy to the Eighth National People's Congress (NPC) now in session, said that the shareholding system is a good form that can help loss-making state enterprises improve their performances.

He said the province will also continue to introduce the contract system that links input with output and emphasizes efficiency in its enterprises.

Wu Disheng, a deputy to the NPC and mayor of the provincial capital of Shenyang city, said at the press conference that over the past few years the city has employed the shareholding system as an important

means to restructure the relations between ownership and management so as to raise enterprises' efficiency.

Old enterprises in the city will, step by step, be switched to the shareholding system and all the newly set up ones will also adopt the system.

Wu said that the heavy industrial city is applying to the central government to open the third stock exchange in China, following Shanghai and Shenzhen. The city set up the first shareholding enterprise and the first institute handling transaction of securities in the country in 1986.

Now the central government has approved the setting up of the north securities trading center in the city, which is a computerized security trading network connected with brokerages in northeast China. He expressed the hope that the country will approve the setting up of the stock exchange in the city.

Liaoning, one of the industrial bases in the country, is home to over 1,000 large and medium-sized state-owned enterprises, but its industrial production used to lag behind other coastal provinces because of lack of funds for expansion and technology upgrading.

In 1992, the province took a series of measures to invigorate the state-owned enterprises. The input and output contract system was adopted by 82 technologically backward enterprises, and the management style of joint ventures was introduced into some others. At the same time, the province designated some 300 state enterprises, nearly one-third of its total, as pilot sites for the share-holding system.

As a result, the province's industrial production has turned for better and entered a period of rapid growth. In 1992, the province's total industrial output value scored an 18.9 percent growth over the previous year. The proportion of the loss-making enterprises out of the total was reduced by 29.1 percent.

Correction to Item on Procurator General's Report
OW2403140793

The following correction pertains to the item subheaded "Discusses Fight Against Corruption," published in the 23 March China DAILY REPORT, pages 45 and 46:

Page 45, first column, first paragraph of item, first sentence, make read: ...punitive battle against crimes involving embezzlement [tan wu 6304 3064] and bribery and have instituted.... (changing "corruption" to "embezzlement" here and throughout the item; providing vernacular and STC's)

Same page, second column, last paragraph of column, fourth sentence, make read: ...across the country formed anti-embezzlement and antibribery bureaus based on the.... (changing "anticorruption" to "anti-embezzlement")

Eighth CPPCC National Committee

Economist Criticizes Cadres With Special Shares

*HK2303091293 Beijing ZHONGGUO XINWEN SHE
in Chinese 0612 GMT 18 Mar 93*

[By staff reporter Qiu Jiangbo (6726 3068 3134)]

[Text] Beijing, 18 Mar (ZHONGGUO XINWEN SHE)—Some local cadres in China accepted gifts given by enterprises or held special enterprise shares. This phenomenon aroused attention from an economist.

Dai Yuanchen, a famous Chinese economist who is also a member of the National Committee of the Chinese People's Political Consultative Conference, said: In the development of the stock market in China, such apparent disadvantages are almost unavoidable. Some local cadres asked their relatives to buy or personally bought the "initial internal shares" that could hardly be bought on the market. They thus became holders of public offices with direct economic stakes in some specific enterprises. Some officials even blatantly accepted gift shares from some companies, and then became special shareholders of such companies able to back and give advice to the companies.

Dai Yuanchen asked the state authorities to pay close attention to this problem. He said: Administrative power must not be used to deal with this problem, because the problem itself is the result of the improper involvement of power in the market and the economic field. The more deeply administrative power gets involved, the more serious the disadvantage of giving weight to the administrative power in the stock market will arise.

The correct way is to overcome the disadvantage by legal means and by means of being consistent with the regularity of the market economy. Dai Yuanchen considered official shareholding as abnormal profits derived from the huge gap between the supply and demand of stocks, so such shares form a strong temptation. If the varieties and amounts of stocks being listed on the stock market in China increase to a saturation point, and shareholders no longer firmly believe that the shares are lucrative, cadres will naturally have less interest in holding shares any more. In addition, the Securities Law, which is being drafted, will be favorable to perfecting the legal management in this field and regularizing the stock market.

Vice Chairman Assures Hong Kong Residents

*HK2103083693 Hong Kong MING PAO in Chinese 21
Mar 93 p 17*

[By staff reporter Lin Tzu-chieh (2651 1311 2212): "Ye Xuanping Assures Hong Kong People That Present Deadlock Will Not Affect Their Business With Chinese Mainland"]

[Text] Whether or not Sino-British talks will resume depends on the British side's active communication, Ye

Xuanping, vice chairman of the Chinese People's Political Consultative Conference [CPPCC] said yesterday. He stated: "Whoever set up the roadblock should remove it." Just as the popular saying goes, "whoever started the trouble should end it."

The present Sino-British deadlock over Hong Kong's constitutional issue will not affect Hong Kong people investing in the Chinese mainland, said Ye Xuanping, who is expected to become CPPCC vice chairman in charge of day-to-day affairs, in an interview with this reporter.

He said the Chinese Government has never had the intention to deliberately set difficult questions for the British side; the Chinese Government has adhered to a tough stance this time to counterattack the British side's "breach of faith," but it will not affect Hong Kong people doing business with the Chinese mainland.

Guangdong-Hong Kong Cooperation Will Continue To Develop

Ye Xuanping addressed Hong Kong people as his "folks"; he said that because it had not been long since China's opening up, there were problems in unsatisfactory administration. For example, smuggling and illegal emigration in both Guangdong and Hong Kong would affect Hong Kong's stability; anyway, the authorities attached great importance to resolving such problems, in addition, cooperation between the two sides was satisfactory. Cooperation in these aspects would continue to develop despite Sino-British noncooperation on the constitutional issue in the next four years.

On the worsening of Sino-British relations resulting from the differences over the Hong Kong issue, Ye Xuanping believed that it was a storm that Chris Patten had started, with the backing of the British Government, who should not have done so at any rate.

Ye Xuanping described Chris Patten as having "stirred up strife" in an attempt to create chaos in Hong Kong. He said that the British Government had repeatedly soured the state of affairs, "People cannot help asking what are the British Government and Chris Patten driving at?"

He continued, saying that the British Government aimed precisely to pursue a Hong Kong Government, which the British could secretly manipulate; should that plot fail, they would turn Hong Kong into "an awful mess"; in all this Chris Patten was the "accomplice" and the executioner.

Playing the Role of a "Neocolonialist Hero"

Ye Xuanping speculated that Governor Chris Patten aimed to play the role of a "neocolonialist hero" as his political stake to achieve other purposes, and that accounted for his conjuring up the storm.

Ye added, since Chris Patten took office, his appearance in Hong Kong in an image of being close to the people

has been "hypocritical." The Hong Kong Government always paid attention to "keeping expenditures within the limits of income" in its financial budget, but now it was squandering away its money, "anticipating its income," sending gifts with Hong Kong people's money, while increasing their future burden. He said that the interest relations here were very clear.

Ye Xuanping believed that "recovering Hong Kong" and "one country, two systems" was China's set policy, which would not be changed.

He stated that that was not just a political stance, but included realistic interest as well. The Chinese Government needs a "Hong Kong as it is," namely, a Hong Kong whose prosperity and stability are safeguarded and will continue to develop; this falls in line with the wish of Hong Kong people as well as people "with good will" in the world. This being the case, Hong Kong residents do not have to be on tenterhooks when there are setbacks in Sino-British cooperative relations.

When asked how to break through the deadlock in Sino-British relations, Ye Xuanping replied with a smile that "I'm not a fortune teller"; moreover, the responsibility rests with the British side, and talks would be possible only when it took the initiative.

Ye Xuanping said, in the latter transitional period, the CPPCC would augment work concerning Hong Kong and Macao; however, he would not disclose the specific plans, but said, "More work will be done today than in the past."

5 Pillars Proposed To Develop Market Economy

HK2303141793 Beijing ZHONGGUO XINWEN SHE
in Chinese 1530 GMT 21 Mar 93

[By Chen Liyu (7115 4539 1342)]

[Text] Beijing 21 Mar (ZHONGGUO XINWEN SHE)—Gao Shangquan, deputy minister of the State Commission for Restructuring Economy has said that the crux to building the socialist market economic structure lies in erecting "five pillars" as quickly as possible.

At a panel discussion of the Chinese People's Political Consultative Conference, Gao Shangquan said: The "five pillars" referred to are:

First, it is imperative to set up a modern enterprise structure compatible with the socialist market economy as quickly as possible, and make the enterprise the legal person and the subjective aspect in market competition; to accomplish this goal, the key lies in converting enterprise operational mechanisms, allowing enterprises to advance toward the market, and implementing the principle of survival the fittest. That is the key link.

Second, it is imperative to build a market system compatible with the socialist market economy as quickly as possible. The key to the market system lies in the

essential markets, including capital, technology, property rights, and labor markets. It is necessary to do our best to make all these essentials enter the market as quickly as possible.

Third, it is imperative to build the social security system as quickly as possible, namely, unemployment, pension, and medical insurance.

Fourth, it is imperative to build a macroscopic regulation and control system compatible with the socialist market economy as quickly as possible, make full use of economic laws, and give play to all sorts of economic levers, such as the role of interest rates.

Fifth, it is imperative to build a system of decrees and regulations and a system of supervision and restriction compatible with the socialist market economy as quickly as possible so that all economic activities may be included in the orbit of the legal system.

Gao Shangquan said that should these "five pillars" fail to be erected, it would be impossible to set up the framework of the market economic system.

Presidium Reviews Names of Committee Members

HK2303072693 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 23 Mar 93 p 1

[Dispatch by reporter Yuan Jianda (5913 1696 6671):
"CPPCC Presidium Holds Second Session"]

[Text] Beijing, 22 March—The Presidium of the First Session of the Eighth Chinese People's Political Consultative Conference [CPPCC] National Committee held its second meeting today, which was presided over by Executive Vice Chairman Li Ruihuan.

The meeting discussed and adopted an electoral method for the First Session of the Eighth CPPCC, according to which the chairman, vice chairmen, secretary general, and standing committee members are to be elected through a secret ballot with an equal number of candidates contending for an equal number of seats.

The meeting also deliberated (draft) namelists for the Eighth CPPCC National Committee chairman, vice chairmen, secretary general, and standing committee members and listened to explanations on the draft namelists given by Executive Vice Chairman Wang Zhaoguo on behalf of the CPC Central Committee.

When explaining the draft namelists, Wang Zhaoguo said that electing leaders for the new CPPCC National Committee is an important task for the current meeting. Making a success of the meeting and the election is of great significance to adhering to and perfecting the CPC-led multiparty cooperation and political consultation system as well as consolidating and developing the patriotic united front.

Wang said that the CPC Central Committee has attached great importance to electing leaders for the new National

People's Congress [NPC] and the CPPCC National Committee. While studying personnel arrangements for the 14th CPC Congress, the CPC Central Committee also comprehensively studied and finally worked out a general blueprint regarding personnel arrangements for the state presidency, the chairmanship of the NPC Standing Committee, the State Council premiership, chairmanship of the State Military Commission, the chairmanship of the CPPCC National Committee, and so on, and listened to the views of Deng Xiaoping and other veteran party comrades. After the 14th CPC National Congress, the CPC Central Committee Political Bureau Standing Committee started work in this connection at once. After extensively soliciting the views of all quarters concerned from both within and without the party and conducting repeated discussions and collective study, the CPC Central Committee Political Bureau Standing Committee finally proposed a namelist of leaders for the new state organs and new CPPCC National Committee.

While explaining the draft namelists, Wang also pointed out that due to their old age, some veteran CPC comrades who had served as Seventh CPPCC National Committee vice chairmen will not be renominated this time.

The meeting adopted draft namelists of candidates. The presidium then adopted the draft namelist as its own and had them printed and distributed for discussion by the panel.

Li Ruihuan To Become Chairman

HK2303034593 Hong Kong WEN WEI PO in Chinese
23 Mar 93 p 2

[By "the WEN WEI PO news team": "Li Ruihuan To Become CPPCC Chairman"]

[Text] Beijing, 22 Mar—At its second meeting this afternoon, the Presidium of the First Session of the Eighth Chinese People's Political Consultative Conference (CPPCC) deliberated and approved the list of candidates for the chairman, vice chairmen, and secretary general of the Eighth CPPCC National Committee. They are:

Chairman: Li Ruihuan; vice chairmen (25 people): Ye Xuanping, Wu Xueqian, Yang Rudai, Wang Zhaoguo, Ngapoi Ngawang Jigme, Seypidin Aze, Hong Xuezhi, Yang Jingren, Zhou Peiyuan, Deng Zhaoxiang, Zhao Puchu, Ba Jin, Liu Jingji, Qian Xuesen, Qian Weichang, Hu Sheng, Qian Zhengying, Su Buqing, Hou Jingru, Ding Guangxun, Dong Yinchu, Sun Fuling, Tse-kai An, Henry Ying Tung Fok, and Ma Man Kei. The aforesaid 26 people are all executive chairmen of the presidium of the current session. Secretary General: Song Demin.

The meeting decided that the chairman, vice chairmen, and secretary general of the current CPPCC will be elected by the method of elections where the number of candidates equals the number of seats. The meeting also

approved the list of candidates for the members of the CPPCC Standing Committee.

CPPCC First Session Receives 1,799 Motions

OW2303223893 Beijing XINHUA Domestic Service in Chinese 1434 GMT 23 Mar 93

[By reporter Zhu Dongju (2612 0392 5468)]

[Text] Beijing, 23 Mar (XINHUA)—Today is the last day for members attending the First Session of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC] to put forward motions. According to the Motions Committee, as of 1700 [0900 GMT] today, the session had received 1,799 motions tabled by committee members.

The Motions Committee of the National CPPCC Committee seriously examined the motions, and 1,727 motions—or 96 percent of the total motions—have been put on record. Of these motions, 610 concern economic construction; 573 concern science, technology, education, culture, medical and public health work, and sports; 353 concern public security, procuratorial and judicial work, and labor and personnel affairs; and 191 concern united front work, nationalities and religious affairs, Taiwan, Hong Kong, and Macao affairs, and overseas Chinese-related work. After gaining committee members' approval, the remaining 72 motions will be dealt with as committee members' opinions.

Quickening the pace of legislative work and tightening legal supervision are a prominent feature of the motions of the current session. A responsible person of the Motions Committee said: No matter the contents of the motions involving economic, scientific, technological, education, cultural, public security, procuratorial, judicial, labor, personnel, united front work, or other issues, committee members putting forward the motions hoped to use the law to manage society and keep people's acts within bounds.

The responsible person said: Another visible change in the motions of the current session is that a motion usually involves one issue, that fewer motions concern committee members' own regions or departments, that more motions deal with the current hot economic and production problems, and that more motions deal with reform, opening up, and economic construction.

Many committee members' motions took the overall situation into consideration. The "Motion on Ideological Norms for Government Functionaries," the "Motion That Vocational and Technical Education Should Meet Economic Development Needs," the "Suggestion on Strengthening Legal Supervision," and the "Motion on Properly Carrying Out Publicity and Explanations for Structural Reform" contain theories, analyses, opinions, and suggestions.

Zou Jiahua, Chen Xitong at 3d Plenary Meeting
OW2403030093 Beijing XINHUA Domestic Service in
Chinese 1048 GMT 23 Mar 93

[By reporters Zhu Dongju (2612 0392 5468) and Sun Yong (1327 0516)]

[Text] Beijing, 23 Mar (XINHUA)—The First Session of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC] held the third plenary session at the Great Hall of the People this afternoon. Nine CPPCC members ascended the rostrum in turn to express their views and make suggestions on major issues regarding the national economy and the people's well-being.

Yang Rudai, Deng Zhaoxiang, Zhao Puchu, and Qian Weichang were the executive chairmen at today's session. Observers at today's session included Zou Jiahua, member of the CPC Central Committee Political Bureau and vice premier of the State Council; Chen Xitong, member of the CPC Central Committee Political Bureau and state councilor; and responsible individuals from some ministries and commissions under the State Council.

In his speech, CPPCC member Han Peixin specifically expressed several views and made a number of suggestions on strengthening rural work. He said: Last year, our country further deepened rural reform and developed all aspects of its rural economy. Further growth in agriculture, however, was accompanied by certain continuing problems that had long impeded and affected economic development in rural areas. These included problems in selling grain, IOU's, peasants' excessive burdens, the widening price differential between industrial products and farm produce, a multitude of problems in poverty-ridden and economically underdeveloped areas, and the worsening economic imbalance. To serve the needs of a socialist market economy, we should, from now on, further stabilize and improve the household contract responsibility system with remuneration linked to output, expedite development and actively improve village and township enterprises in different areas, use legal means to realistically protect peasants' interests and to halt the practice of shifting responsibility to peasants in all matters, and help party committees and governments at all levels further strengthen leadership over rural work.

In her speech, CPPCC member Zhao Changbai suggested extensively promoting the experience gained by the Shougang [Shoudu Iron and Steel] Company among state-owned large and medium enterprises. She said: In 1979, Shougang became the first unit to experiment with reform among large state-owned enterprises. Reform has brought phenomenal changes to Shougang. Today, most of our country's state-owned large and medium enterprises have yet to be invigorated. More than 800 large and medium enterprises in various provinces and municipalities have produced fairly good results after implementing a Shougang-style general input and output

contract system. Practice is the sole criterion of truth. We suggest that the State Council energetically promote Shougang's experience to invigorate other state-owned large enterprises.

CPPCC members Wu Jing and Li Ganliu issued a joint statement on current problems in our country's coal industry, which need to be resolved urgently. They said: The coal market in our country is currently sluggish, and state-run coal mines are operating at a loss. Aside from bloated organizations and other bad practices that beset state-run coal mines, the way in which small coal mines have indiscriminately extracted coal and unscrupulously plundered resources is the second largest factor leading to the crisis of state-run coal mines. They suggested: We should solve the problem of bloated organizations affiliated with state-run coal mines and stop indiscriminate extraction by small coal mines. Meanwhile, we should sell coal on the international market as a way of resolving the coal industry's problems.

CPPCC member Wang Junyan spoke of the need to accelerate the reform of the legal system in an effort to bring it in line with the socialist market economy. He said: The 14th national party congress established the reform goal of building a socialist market economy. With this goal in mind, we should, on the one hand, work energetically to promote reform of the economic system; on the other hand, we must expedite the reform of the legal system, which has been built upon the old structure, to bring it in line with the socialist market economy and to guide and ensure the smooth process of reforming the economic system. CPPCC member Wang Junyan said: The reform of the legal system primarily requires efforts to resolve problems in five areas: the status of the legal system, the relations between reforms of the legal and economic systems, the improvement of legal institutions and the enactment of laws and regulations, the rejuvenation of the legal system, and governance in accordance with the law and the practical transformation of government functions.

Speaking on behalf of 21 fellow members, CPPCC member Zhang Baoshun called on all sectors of society to nurture a good environment that is conducive to the healthy growth of youth. They proposed: We should continue to intensively and persistently publicize and enforce the "Law on the Protection of Minors," move as quickly as possible to establish national organizations to protect minors, gradually improve our country's laws and regulations governing youth, and work hard to do practical deeds for youth by improving and optimizing the environment in which they grow.

Other speakers at today's session included CPPCC members Li Tingdong, Shi Ningsun, Ma Jiqing, and Ma Changqing.

Permanent chairmen of the Presidium of the First Session of the Eighth National Committee of the CPPCC present at the session included Ye Xuanping, Wu Xueqian, Ngapoi Ngawang Jigme, Seypydin Aze, Hong

Xuezhi, Hu Sheng, Qian Zhengying, Su Buqing, Ding Guangxun, Dong Yinchu, Sun Fuling, Tse-kai Ann [An Zijie], and Ma Man Kei [Ma Wanqi].

Members Answer Economic Questions at Conference

OW2403055993 Beijing XINHUA Domestic Service in Chinese 1130 GMT 23 Mar 93

[By Hu Qinghai (5170 3237 3189) and Sun Chengbin (1327 2110 2430) on news conference by Bank of China President Wang Deyan, economist Ma Yi Gao Shangquan, and vice minister in charge of the State Economic Restructuring Commission, in Beijing on 23 March]

[Text] Beijing, 23 Mar (XINHUA)—China's economy is showing unprecedentedly good signs. We must grasp opportunities to push forward reforms in various aspects of the economy and to take advantage of these reforms to solve certain problems that have arisen in the course of development. These are views expressed by three economists at a news conference today.

This morning, Lu Zhichao, spokesman for the First Session of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC], held a news conference at the press center for the two sessions [of the National People's Congress and the CPPCC]. Three CPPCC members—Wang Deyan, president of the Bank of China [BOC]; Gao Shangquan, vice minister in charge of the State Economic Restructuring Commission; and economist Ma Yi—were invited to answer questions posed by Chinese and foreign reporters.

A reporter asked about China's efforts to attract foreign capital. Gao Shangquan said: The domestic investment climate has further improved since Comrade Deng Xiaoping made his important talks during his inspection tour of southern China; this is especially the case since the convocation of the 14th CPC National Congress. Last year, the number of foreign and overseas investment projects topped the total number of the previous 13 years, and the investment volume exceeded the amount of government loans.

President Wang Deyan used figures to elaborate this point. He said: By the end of last year, more than 84,000 Chinese-foreign joint ventures, cooperative enterprises, and exclusively foreign-owned enterprises had been registered with industrial and commercial departments; of these, more than 48,000 were registered last year. As of the end of 1992, the loans extended by the BOC to joint ventures, cooperative enterprises, and wholly foreign-owned enterprises totaled 93 billion renminbi. Foreign banks set up more than 70 branch offices in China's 13 coastal open cities; their total assets increased 16 percent from 1991, and the amount of loans granted by them grew 11 percent.

A German reporter asked: Does the continuous depreciation of the renminbi accord with China's interests?

Wang Deyan said: China implements a managed floating exchange rate system. From the latter half of 1992 to February 1993, the renminbi fluctuated rather widely as a result of two factors—various disconcerting rumors and China's demand for more foreign exchange to meet the needs of its fast-growing imports. He maintained: The wide fluctuation of the renminbi has produced more negative than positive effects on Chinese and foreign investors alike. We do not want this to happen, and it is not what we hope for. He said: The Chinese Government has taken some measures in this regard, and the renminbi exchange rate has gone up again.

In response to a question on reform of the financial system, Wang Deyan said: Along with reform of the economic structure, we must reform the financial structure. Reform involving specialized banks involves changing them into commercial banks. Beginning this year, we will separate policy-related business from operational business in our accounts and implement an asset and loan risk system on an experimental basis. He said: Financial reform involves many sectors and has wide-ranging influences; we must be both active and careful when taking each step.

A reporter from Taiwan asked: How would you solve the problem of uneven economic development between the eastern and western parts of Mainland China? Gao Shangquan said: We attach great importance to this problem. We have designated five cities along the Chang Jiang, 13 border cities, and 18 provincial capitals as additional open cities in an effort to open up in all directions and to encourage exchanges of manpower, capital, technology, and information between the inland and coastal cities. The purpose is to solve this problem. He said: We are working to develop a market economy and encourage some people and areas to become prosperous first by engaging in honest labor and legitimate businesses. We do not practice egalitarianism. Moreover, we encourage areas that have become prosperous before others to assist poor areas in their construction as a way to achieve common prosperity.

In reply to a question whether our economy is overheated, Ma Yi said: It is possible that China will experience rapid economic development for some time to come. We have set our growth rate at 8-9 percent; it is practical and yet allows for leeway in some areas.

The three CPPCC members also answered reporters' questions on the construction of development zones, the regularization of stock markets, and other issues.

First Session Holds Fourth Plenary Meeting

OW2403123993 Beijing XINHUA Domestic Service in Chinese 0926 GMT 24 Mar 93

[By reporters Sun Yong (1327 0516) and Hu Qinghai (5170 3237 3189)]

[Text] Beijing, 24 Mar (XINHUA)—The fourth plenary meeting of the First Session of the Eighth Chinese

People's Political Consultative Conference [CPPCC] was held here today, at which members delivered speeches. Eleven members took the floor at the Great Hall of the People to express their views on educational development, on improving medical care and health work, and on other questions.

The executive chairmen of today's plenary meeting were Hu Sheng, Su Buqing, and Dong Yinchu. Attending the meeting as observers were Li Tieying and Qian Qichen, member of the CPC Central Committee Political Bureau and state councillor, as well as the responsible persons of some ministries and commissions under the State Council.

CPPCC member Ge Zhicheng, on behalf of the China Association for Promoting Democracy Central Committee, delivered a speech in which he said that it is necessary to implement the principle of vigorously strengthening basic education. After citing the problems in China's current basic education, he said: "Here we should stress that any act of causing arrears of teachers' wages or of diverting teachers' wages for use in other purposes is a violation of the law on compulsory education. In serious circumstances, the person who is responsible for the act must be punished according to law." This part of his remarks was given warm applause by other members. Ge Zhicheng also made the following proposals for strengthening basic education: While strengthening economic construction, it is necessary to guarantee that there will be no slackening in developing education, and the key to ensuring this is to develop education according to law. It is necessary to constantly increase expenses for developing basic education on a priority basis; a big stride should be taken in reform of the wage system, which the masses of teachers have been earnestly expecting.

On behalf of the China Democratic League Central Committee, CPPCC member Gao Jingde, in his speech, made a proposal on supporting and developing civilian-run higher educational institutions: On the basis of summing up experiences, it is necessary to formulate, as soon as possible, standard laws on civilian-run higher educational institutions. In this way, in the course of development, we shall have laws and regulations to follow. Before legislation, relevant state departments should establish practical standards suitable for civilian-run higher educational institutions; we should judge the quality of civilian-run schools of higher learning by the concept of a socialist market economy.

On behalf of the Workers' and Peasants' Democratic Party, member Fang Rongxin spoke about seizing the opportunity to deepen reform and rejuvenate the undertaking of traditional Chinese medicine. He said: In revitalizing Chinese medicine, first and foremost we should further implement the principle of "attaching equal importance to traditional Chinese and Western medicine." It is of crucial importance to develop science and technology and to step up legislation on traditional

Chinese medicine so as to promote sustained, stable, and sound development of the undertaking.

Discussing improved economic efficiency as the top priority of current economic construction, member Tang Xiangqian said: At present most enterprises are still structured in such a way so as to adapt themselves to administrative orders under a planned economy. Therefore we should reform the organizational structure of enterprises, increase the construction of a legal system, and perfect rules and regulations. The government should formulate special policies to ensure the optimization of industry and readjustment of its product mix.

In a statement endorsed by five other members, Liu Yonggang called for exclusive management of pharmaceutical products. He said: In recent years, chaos has perpetuated the medicine market where fake and sub-standard pharmaceutical products are sold despite repeated prohibitions, posing an immediate threat to the safety of people. Hence it is suggested that the State Council instruct the State Pharmaceutical Administration to increase efforts to experiment with exclusive management at selected points and, on the basis of absorbing suggestions from various sectors, to formulate "regulations for exclusive management of medicines" in a bid to codify exclusive management of pharmaceutical products as soon as possible.

Member Ma Man Kei said: Realizing the motherland's peaceful reunification under "one country, two systems" is a great scientific idea. The Basic Law for the Macao Special Administrative Region [SAR], which is precisely a legislative manifestation of this scientific idea, provides a detailed blueprint on the future of Macao by integrating the national sovereignty, unification, and territorial integrity with the authorization of a high degree of autonomy for the Macao SAR. We believe the large number of compatriots in Macao will work together with one heart in ensuring a smooth transition, in stabilizing Macao, and in building Macao. The future of Macao is bright.

Other members who spoke at the meeting today were Wang Fuzhong, Wang Xuan, Yan Zhongqin, Lu Maozeng, and Zhuang Yongjing.

Executive chairmen of the First Session of the Eighth National CPPCC Committee Li Ruihuan, Ye Xuanping, Wu Xueqian, Wang Zhaoqun, Ngapoi Ngawang Jigme, Seypidin Aze, Hong Xuezhi, Deng Zhaoxiang, Zhao Puchu, Qian Weichang, Qian Zhengying, Ding Guangxun, Sun Fuling, and An Zijie attended the meeting.

Law Against Religious Discrimination Urged

HK2403030093 Beijing CHINA DAILY in English 24 Mar 93 p 1

[By staff reporters Gong Zian and Xian Liangjun: "Law To Protect Religious in China"]

[Text] A top State religious leader has called for a law that will crack down on religious discrimination.

Ma Changqing, vice-chairman of the Islamic Association of Qinghai Province, said the long-awaited law "will enable believers to enjoy legal protection in practising their daily religious rituals."

His call is in response to some publications in China that have carried discriminatory views concerning different religions.

Ma, also a member of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC), was addressing the on-going CPPCC session in Beijing.

Ma added: "It can enhance unity and harmony among various nationalities and play an immense role in maintaining social stability."

Under the Chinese Constitution, the government protects the people's freedom of religious belief.

Ma also said it is very important that China's religious circles resist infiltration and interference by foreign, hostile forces that come in the guise of religion. However, he proposed that a normal cultural exchange between Chinese and foreign Muslims should be actively encouraged.

"People must practise religious activities within the limits permitted by the State law," Ma said. He added Chinese religions and socialism should be "well coordinated."

Ethnic unity could be further boosted if the Chinese Government placed greater emphasis on training more people from the minorities, said Ma.

He pointed out that in many remote and ethnic-packed regions, people are less educated and teaching equipment in schools are simple and crude, resulting in economic backwardness.

"The Chinese Communist Party and government should spare no expense on reversing this situation," Ma stressed.

Macao Deputy on Reform, Modernization Drive

OW2403073293 Beijing XINHUA in English 0710
GMT 24 Mar 93

[Text] Beijing, March 24 (XINHUA)—Ma Man-kei, a member of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC), said here today that Macao can continue to serve as a "window" and "bridge" for the reform, opening up and modernization drive of China's mainland when the region maintains stability and economic growth.

The Draft Basic Law for the Macao Special Administrative Region fully reflects the reality in Macao, said Ma,

chairman of the Chinese General Chamber of Commerce of Macao, while delivering a speech at a full meeting of the first session of the CPPCC Eighth National Committee here today.

Ma said Macao compatriots have the responsibility to strengthen the cooperation between Macao and the mainland.

Noting Macao and the mainland have always had close economic ties and contacts, Ma said, in recent years, since the mainland adopted reform and open policy more than a decade ago, such ties and contacts have registered unprecedented development and promoted economic development of both Macao and the mainland, with a new mutually-supplementary, mutually-promoting and common development situation taking shape.

In recent years, he said, Macao has also witnessed rapid economic development thanks to the steady enhancing of the friendly cooperative relations between Chinese and Portuguese governments and the favorable external environment created by the mainland's speeding up of reform and opening up, as well as pursuit of a socialist market economy.

Ma said Macao compatriots should make best preparations from various aspects for the smooth transition before Macao returns to the motherland in 1999.

In 1991 per capita GNP in Macao exceeded 8,300 U.S. dollars, ranking it fifth among Asian countries excluding those oil producers, he said. Last year, Macao saw an economic growth rate of five percent.

Noting broad prospects for the cooperation between Macao and mainland, Ma said Macao, a free trade port with a history of more than 400 years, has advantages in tax policy, personnel, funds and international economic and cultural exchanges.

In tandem with the completion of the Macao international airport and the improvement of infrastructural facilities as well as the rapid economic development in this region, Macao is expected to become a regional multi-facet economic center, a financial subcenter and a medium-sized international trade center by the end of this century, according to Ma.

Li Tieying, Qian Qichen at Session on Education

OW2403094893 Beijing XINHUA in English 0749
GMT 24 Mar 93

[Text] Beijing, March 24 (XINHUA)—Education was the top subject of a full meeting here today of the National Committee of the Eighth Chinese People's Political Consultative Conference (CPPCC).

State councillors Li Tieying and Qian Qichen were present at the meeting.

Ge Zhicheng, a member of the CPPCC National Committee who comes from the China Association for Promoting Democracy, said, "Education is the vanguard of economic development, and basic education is the vanguard of overall educational development."

He urged people's congresses at various levels to attach importance to investment in basic education in examining local social and economic development plans, and to strengthen supervision over the implementation of the Compulsory Education Law.

Gao Jingde, a professor of Qinghua University and a CPPCC National Committee member from the China Democratic League, made a proposal on supporting and developing non-governmental institutions of higher learning.

Legislation should be stepped up, he said, on developing non-governmental institutions of higher learning. Such institutions of higher learning should be an integral part of China's higher education system, he said.

Professor Wang Xian of Beijing University called for vigorous support for high-tech industries using resources of institutions of higher learning and scientific academies.

He suggested the founding of a risk investment corporation for high-tech projects and joint establishment of economic entities by institutions of higher learning, scientific academies and enterprises.

"If conditions permit, high-tech industries can develop within universities and colleges as well as academies of sciences to quicken the commercialization and industrialization of research results," he said.

Fang Rongxin, vice-chairman of the Chinese Peasants and Workers Democratic Party, and Liu Yonggang, a CPPCC National Committee member, expressed views on the promotion of traditional Chinese medicine and the monopoly of medicine marketing.

Other speakers at the meeting expressed views on raising economic efficiency and speeding up the drafting of a labor law.

The meeting was presided over by executive chairmen of the CPPCC first session presidium Hu Sheng, Su Buqing and Dong Yinchu.

Political & Social

Wei Jingsheng Allowed Out of Prison for Day

HK2303144593 Hong Kong Asia Television Limited in English 1200 GMT 23 Mar 93

[From the "Main News" program]

[Text] China's longest-serving political prisoner, Wei Jingsheng, has been allowed to visit an industrial city for

a day. The gesture is seen as another move by China to show that it's improving its human rights record. Fanny Fung reports from Beijing:

[Begin recording] [Video shows an apparently healthy and relaxed Wei engaged in the activities described in the report] It's the first time in 14 years that Wei Jingsheng was allowed out of prison. He was taken to Tangshan, an industrial city 160 km east of Beijing. Pictures taken by China's state television showed Mr. Wei visiting the Tangshan Exhibition Hall and at lunch with its staff members. He was also taken to do some sightseeing across the city and shopped at a grocery store.

Despite reports that the 43-year-old political prisoner is in ill health, the pictures showed Mr. Wei in good spirits. Mr. Wei was jailed for 15 years on charges of counter-revolutionary crimes and leaking state secrets during the 1979 Democracy Wall Movement. He's due for release in March next year.

The Chinese authorities say the visit was to give Mr. Wei a chance to see the outside world so that he can adapt more easily when he is released. But analysts believe it's another move by China to show the Western world that it's improving its human rights record. [end recording]

Video Not Shown Domestically

HK2403072093 Hong Kong AFP in English 0700 GMT 24 March 93

[Text] Beijing, March 24 (AFP)—China has released for foreign consumption footage of its most famous political prisoner Wei Jingsheng looking healthy and smiling, but the tape was not shown on Chinese television, sources here and in Hong Kong said Wednesday.

Sources at Asia Television in Hong Kong said the footage shown by the station late Tuesday [23 Mar] had never been shown in China.

"They wanted to show the world that he's doing well," said a journalist, who asked not to be identified.

The China-backed Wen Wei Po newspaper in Hong Kong said the footage was also shown on Chinese Central Television (CCTV) late Tuesday.

But sources at CCTV here said the footage had only been shown on their satellite external network, which does not reach China's viewers. It had been put out with Chinese, French, and English voiceover.

The 43-year-old veteran dissident was shown smiling as he was taken on a tour of Tangshan, an industrial city near Beijing, accompanied by prison officials on January 13 as part of "his assimilation to society."

Wei was also shown eating with his guards and smiling and shopping in a department store and a bookshop.

Wei, who has been in jail since writing pro-democracy posters during the "Democracy Wall" period of 1979, was not heard speaking. He looked healthy and apparently had all his teeth.

Unconfirmed reports through the years have said that Wei had lost all his teeth or had gone mad.

The Chinese government has said that Wei will not let out of prison early, unlike other political prisoners whose sentences have been reduced as part of China's recent charm offensive during its current bid to have Beijing chosen as the site of the 2000 Olympics.

Wei, whose 15-year-sentence should end next year, is said to have particularly angered China's supreme leader Deng Xiaoping.

He has remained unrepentant of his "counter-revolutionary" crimes, refusing to write self-criticisms.

Beijing TV Airs Documentary on Wang Zhen
OW2403125593

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1135 GMT on 20 March transmits a 20-minute documentary on the deeds of Wang Zhen, late PRC vice president, produced jointly by the Central News Documentary Studio and the Central Television Station.

The film begins with a black and white still photograph of Wang Zhen while an announcer says: "Being a great proletarian revolutionary, statesman, military scientist, resolute Marxist, outstanding leader of the party and state, and vice president of the People's Republic of China, Comrade Wang Zhen passed away from this world." "For more than 60 revolutionary years, he dedicated his whole life to the liberation of the Chinese people, the founding of New China, and the cause of socialist revolution and construction. His deeds for the country are immortal."

The film shows still photographs of Wang Zhen in the thirties when he took part in the Revolutionary War, then switches to show video footage of battles against Japanese troops during the War of Resistance Against Japanese Aggression. The film then shows footage of battles between troops of the CPC and the Kuomintang after 1946, while the announcer recounts Wang Zhen's role in winning various battles as well as his role in Xinjiang's construction and railway building following the founding of New China. The film then shows events after 1976 when Wang Zhen was both in charge of the defense industry under the State Council and was a member of the Central Military Commission Standing Committee, with shots showing tanks, jet fighters, naval ships, and missiles. Film then shows the site of the First Session of the Seventh National People's Congress while the announcer says Wang Zhen was elected vice president of the PRC at that session. "He firmly adhered to the party's basic line and always supported the policy put

forward by Deng Xiaoping on keeping to the four cardinal principles and opposing bourgeois liberalization. He actively promoted reform and opening up and accelerated the pace of socialist modernization."

Shots also show Wang Zhen with Deng Xiaoping when the latter inspected the special economic zones.

Toward the end of the film, shots show his remains as well as party and state leaders—including Jiang Zemin, Yang Shangkun, Li Peng, Qiao Shi, and Li Ruihuan—paying their last respects.

In conclusion, the announcer says: "Comrade Wang Zhen was a model to be followed by the entire party, the entire army, and people of all nationalities throughout the country. He will forever live in the hearts of the people."

Commentary Refutes 'China Threat Theory'

HK2403022493 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 12, 22 Mar 93 p 26

["International Commentary" by Yan Xuetong (7051 1331 6639): "Ignorant Prejudice and the Remaining Wind of the Cold War—Refuting the 'China Threat Theory'"]

[Text] Although the Chinese Government and public opinion makers have long refuted the absurd so-called "China threat" theory, on 2 March, the ASIAN WALL STREET JOURNAL still published a signed article spreading the views, such as that the guarantee that China "will not pose a threat" cannot be trusted and that the rise of China as a big economic power will pose a threat, and advocating "playing the card of regionalism" to manipulate China so that "China will become a country relatively easy to control." This shows that the creation of the "China threat theory" by some in the West is a prejudice, which is more benighted than ignorance and a manifestation of the remaining wind of the cold war confrontation.

As is known to all, China is still a developing country. Through 10 years or so of reform and opening up to the outside world and relatively rapid development, China's 1992 GNP was just \$440 billion, which was less than one-tenth that of the United States and one-seventh that of Japan. The gap in per-capita average GNP between China on the one hand and the United States and Japan on the other was even wider. Although the economy in China's coastal areas has developed a little faster, the vast inland areas are still economically backward. Such a country with a poor foundation will not reach the level of a moderately developed country without several decades of struggle. This being the case, China needs a peaceful international environment to concentrate its efforts on modernization. How can China threaten others under these circumstances?

China has some military strength. Nevertheless, its military strength and strategy are completely defensive.

China's \$6 billion defense budget is only one sixth that of Japan and below that of Taiwan. The assertion that China's military strength "has outstripped its defense capability and begun to develop into a capability of aggression" is obviously an absurd theory that does not respect the facts. In fact, China has neither the intention nor the economic or military capability to invade or expand into other countries, and therefore, it is definitely impossible for China to pose any threat to other countries.

Will China become a threat to other countries after its economy has become more developed and stronger? Not long ago, Premier Li Peng solemnly declared: China does not now and will never seek hegemonism in the future when it gets strong. China is pursuing an independent and peaceful foreign policy and has always worked hard for domestic construction and world peace and has never wanted to threaten and invade other countries. Historically, China is celebrated in the world for its ardent love of peace. In the future, it is not necessary and completely impossible for China to threaten and invade others. That will mean stirring a fire only to burn, and bring disaster upon oneself.

Those who are spreading the "China threat theory" are in fact sticking to the pattern of thinking of the Cold War confrontation. After the disintegration of the Soviet Union, they would always try to find another "enemy threatening themselves." As China has just embarked on the road of economic development, they would always be unhappy with it and make irresponsible remarks. Their purpose in so doing is, apparently, to sow dissension between China and other countries, in particular, its neighboring countries, defame China's image, and check it from developing further.

A thorough study of China's development trends will show that a strong China will be helpful, and not a threat, to other countries in the world. First, a stronger China buying purchasing power will provide the world with a vast market. China has a population of nearly 1.2 billion people. If moderate-income families constitute half of the country's total population, China can provide the world with three markets as big as the U.S. market. In China there are several thousand cities and towns needing large-scale modernization. If it has enough economic capability, China can provide the world with a \$100-billion investment and sales market. Second, the rapid development of the Chinese economy will serve as a stimulus for the development of the Asia-Pacific region. Many economists maintained: China is one of the locomotives of the high economic growth of East Asia. An analyst of the Hong Kong International Commercial Association said: "When China has good times, everybody will get rich." If China has enough foreign exchange reserves, its investment in East Asia and other regions will increase. Third, a strong China will be in a position to make greater contributions in safeguarding regional and world security and stability. As one of the permanent members of the UN Security Council and a great nation in Asia, China is shouldering the great

responsibility to safeguard regional and world peace, but backwardness has checked it, to a certain extent, from bringing the role into play.

To sum up, we can notice that the so-called argument asserting that as the Chinese economy develops, a "China threat" will emerge is completely groundless. Spreading such a view will damage trust between states and hamper world stability and development rather than contribute to world peace and development.

Commentary on Upholding 'Three Conducives'

HK2303055593 Beijing GUANGMING RIBAO in Chinese 11 Mar 93 p 1

[Commentator's article: "The Standard: 'Being Conducive to Three Things'—Fifth Discussion on Emancipation of the Mind and Seeking Truth From Facts"; "fourth discussion" was published in the Political & Social section of the 17 March China DAILY REPORT, pages 39 and 40]

[Text] How can we judge whether a plan, a policy, or a measure is realistic and whether it has been formulated through emancipating the mind? What standard should we apply to judge it? This standard is the "three conducives," specifically, being conducive to the development of the productive forces of a socialist society, conducive to increasing the comprehensive national strength of the socialist country, and conducive to improving the people's standard of living, as proposed by Comrade Deng Xiaoping during his southern inspection tour and confirmed by the 14th party congress. This is the scientific standard of historical materialism, the concrete development of the standard that practice is the norm of truth, and the further enrichment and development of the standard of productive forces proposed by the 13th party congress.

Emancipation of the mind refers to extricating ourselves from the constraints of traditional ideas and subjective prejudices. Seeking truth from facts refers to proceeding from objective reality and formulating inherent rather than fabricated laws. It is quite obvious that, in the emancipation of the mind or seeking truth from facts, practice and its results are the correct and only standard for testing truth. The "three conducives," as the result of the specific practice of millions upon millions of people participating in the building of socialism with Chinese characteristics, is the objective criterion for judging whether our plans are scientific and whether our policies and measures are correct, realistic, and free-minded. Here the "three conducives," which gets rid of subjective standards of every description and develops the authority of practice, is the great creative spirit of millions upon millions of people in the course of building socialism with Chinese characteristics.

The "three conducives" is the standard that encourages people to boldly forge ahead. It tells us to boldly forge a new path, make solid efforts, and pursue activities that

are conducive to the development of the socialist productive forces, to increasing the comprehensive national strength of the socialist country, and to improving the people's standards of living. Conversely, those things that do not tally with the "three conduces" should be abandoned, even though they represent traditional experience accumulated over the years, things we are familiar with, and things which were regarded as "truth" in the past. A review of the historical course of the past 14 years or so since the Third Plenary Session of the 11th CPC Central Committee—from the creation of the contract responsibility system on a household basis with remuneration linked to output to the gradual deepening of urban structural reform, from the establishment of the Shenzhen Special Economic Zone to multidirectional opening up, and from a breakthrough in the concept of the planned economy to the establishment of the socialist market economy—shows that all this would be unimaginable if we were to deviate from the "three conduces" standard. The "three conduces" offers strength and encouragement to the people, enabling them to extricate themselves from the shackles of traditional concepts and subjective prejudices and to advance with great strides along the path of developing the productive forces, strengthening the comprehensive national strength, and improving the people's standard of living. The "three conduces" is a sharp ideological weapon. Once it has been grasped, it will call forth immense enthusiasm and the endless creativity of the entire party and the people of the whole country, and continuously push forward the cause of socialism with Chinese characteristics.

The "three conduces" is the standard that takes into account immediate and long-term interests as well as the partial and overall situation. Under normal conditions, whether a policy decision, measure, or move conforms to the "three conduces" is not clear at a glance. Rather, there are contradictions. For example, viewed partially and from immediate interests, a policy decision and measure may be conducive to the development of the productive forces of a locality and to improving the standard of living of the people there. Viewed from long-term and overall interests, however, the situation may differ. Under such circumstances, can we say that this policy decision and move is correct? Of course not. The "three conduces" specifically manifests unity of immediate and long-term interests as well as partial and overall interests. It does not permit separation or confrontation between the two, still less sacrificing long-term and overall interests for the sake of immediate and partial interests. We say that the current development zone craze in some localities, the negligence of agriculture, education, science, and technology, and duplicate projects and administrative companies are abnormal and should be checked. Some of them are wrong and should be corrected, because some localities, departments, and units may obtain temporary partial interests. From a long-term and overall point of view, however, it will definitely be harmful. The basic ground for this judgment lies in the "three conduces."

The "three conduces" is an objective standard. This objective attribute determines that man must proceed from objective reality rather than from subjective needs to understand it. Instead of metaphysics, he should apply the dialectical materialistic viewpoint and grasp the total sum of practical results. Why do people frequently get different and even diametrically opposite conclusions from the same practice? Many people are puzzled at this state of affairs, in which both sides claim to be in the right. In fact, the fundamental reason for such a state of affairs can be summed up as follows: As all objective things are complicated contradictory items, those objective things which result from practice are also complicated contradictory items and contain various interrelated contradictory elements and sometimes manifest various contradictory phenomena. If we can grasp the concrete facts from the sum total and internal network of things, we can draw a correct conclusion even from a single fact. Conversely, it would be tantamount to a trifling matter and juggling the facts. It is a pity that, in our practical life today, the practice of juggling facts is consciously or unconsciously repeated among a handful of leading organs and cadres. This merits attention.

The 14th party congress has outlined our grand blueprint and has illuminated the path of progress. We firmly believe that, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, the tasks set forth by the 14th party congress will certainly be fulfilled, and new victories will continuously be won in the cause of building socialism with Chinese characteristics as long as we emancipate our minds, seek truth from facts, and unswervingly stick to the standard of the "three conduces."

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HK2203090993 Beijing RENMIN RIBAO in Chinese
19 Mar 93 p 7

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Science & Technology

Minister Opposes Another Daya Nuclear Plant

HK2203033793 Hong Kong SOUTH CHINA MORNING POST in English 22 Mar 93 p 8

[By Chris Yeung in Beijing]

[Text] China's top official in charge of energy resources said Guangdong's second nuclear plant should not be built in Daya Bay in the face of public anxiety in Hong Kong.

Minister of Energy Resources Mr Huang Yicheng said a decision to build a second plant in Daya Bay would "invite more trouble", given the fact Hong Kong people were opposed to it.

Chinese reports said earlier that Guangdong would make a decision on the building of a second plant this year.

But a vice-chairman of the Guangdong Provincial People's Congress, Mr Yu Fei, said it was unlikely that would happen, adding that it was also yet to decide on the site.

He maintained that the southern province was able to finance the project, but did not give an estimate on the costs.

However, Mr Huang told the South China Morning Post funding would be a major problem for the Guangdong plant.

"We are talking about several billions of U.S. dollars. It's not a small investment," he said.

Three sites, Yangjiang, Daya Bay and Taishan, have been identified as possible places for the building of a second plant to help alleviate the problem of electricity shortage in Guangdong.

"They (the Guangdong authorities) think the facilities in Daya Bay can be used if a second plant is built in its vicinity. The argument is sound...but Hong Kong people disagree," Mr Huang said.

He claimed nuclear power was as important as thermal and hydro electricity for China's future economic development.

In a related development, Mr Huang said China remained firm on its stance to tap the oil resources near the Spratlys Islands, an archipelago in the South China Sea whose sovereignty has been disputed by six Asian countries.

"We hope all the concerned parties can put aside differences over the sovereignty of the islands and seek joint exploration of the resources," he said.

He admitted the dispute over sovereignty had affected the exploration of oil resources, but said: "There's nothing to be negotiated over sovereignty."

The minister claimed United States groups had been invited to inspect some islands, but insisted there had been no immediate development plans. [sentence as published]

Mr Huang warned there would be no room for negotiation if the other countries insisted to claim their sovereignty over the islands.

He said it would be dangerous to rely on the Spratlys to help solve the shortage of oil resources in China.

"Exploration of oil resources involves high risk ... Like the Tarim Basin, there have been no major findings, although many experts believed its resources were enormous," Mr Huang said.

Foreign Satellites Launching Contracted to 1996

HK2203152093 Beijing ZHONGGUO XINWEN SHE in English 1031 GMT 22 Mar 93

[Text] Beijing, March 22 (CNS)—China's "Long March" carrier rockets have been favourably received by foreign clients and the launching of foreign satellites is contracted up until 1996.

Satellites to be launched by China belong to Sweden, Hong Kong, the United States and Europe, the Deputy Director of the Science and Technology Committee of the Ministry of Aero-Space Industry, Professor Liang Sili, said in an interview with this agency.

From now up until 1996, "Long March" carrier rockets will put some dozen China-made satellites into space and some of these will undertake experiments for Europe, the U.S. and some Asian countries.

China's carrier rockets, according to Professor Liang, have certain merits including first of all the quality of the rockets. The technology used in China's rockets is equal to the world's best, performing well in ignition, control,

emergency requirements and low temperature liquid propulsion. The technology used in China has also limited the accident rate in this field. China's competitiveness in the international market is strong, offering its rocket services at a mere two-fifths of the price charged by its international competitors.

Li Peng Writes Inscription For Technology Fair

OW2303224793 Beijing XINHUA Domestic Service in Chinese 0835 GMT 18 Mar 93

[By correspondent Huang Wei (7806 1218)]

[Text] Beijing, 18 Mar (XINHUA)—The first national fair for the exchange of scientists, technical workers, and technologies, opened in Beijing today. Premier Li Peng wrote inscription for the fair.

The fair is jointly sponsored by the State Science and Technology Commission; the State Commission of Science, Technology, and Industry for National Defense; the China Academy of Sciences; the China Science and Technology Association; and the Beijing Municipal Government. Earlier, the organizational committee of the fair proposed to the nation's science and technology circles that 18 March every year be designated "National Scientists and Technological Workers Activity Day." More than 120 fellows of the scientific divisions of the China Academy of Sciences, over 300 well-known scientists, and more than 1,000 prominent figures across the country signed the letter of proposal.

Today, the great hall of the International Exhibition Center was flooded with people. More than 100,000 scientific and technological projects took part in the fair, and tens of thousands of fair attendees from across the country sought their ideal jobs and scientific and technological results at the fair.

It has been learned that the fair is mainly for the exchange of specialized personnel, transfer of scientific and technological results, and negotiation on scientific and technological projects. The purpose of the fair is to develop as early as possible a specialized personnel market that can keep pace with the development of the socialist market economy.

Yan Jici, Hong Xuezhi, Lu Jiayi, Deng Zhaoxiang, and Chen Pixian attended today's opening ceremony of the fair.

Economic & Agricultural

Commentator Urges 'Tackling' Renamed Companies

HK2403042293 Beijing RENMIN RIBAO in Chinese 19 Mar 93 p 3

[Commentator's article: "We Should Be Good at Tackling Problems of a Tendency Nature"]

[Text] A leading comrade from the State Council recently pointed out explicitly that forming renamed companies "is not reform, but retrogression." The publication of this news by various newspapers has evoked strong repercussions in various circles.

Forming renamed companies is not an ordinary problem in implementing the "regulations," but is a problem bearing a tendency. This leading comrade from the State Council pointed out this problem not only because it bears certain generality which should be promptly stopped and corrected, but more importantly it involves whether or not a correct reform orientation should be adhered to. Renamed companies withdraw the legitimate rights and interests of enterprises, abolish enterprises' qualifications of being legal persons, once again turn enterprises into government subsidiaries, solidify departmental and regional separate management systems, ruin the formation of a structure with the market as the main component, stifle market vitality, and run counter to the establishment of the socialist market economic structure. Appearing as economic bodies, renamed companies maintain the functions and powers of the former government departments in charge, forming the integration of officials and commerce, which is apt to give rise to corruption. This is widely divergent with the original intention of carrying out institutional reform, separating government administration from enterprise management, and transforming government functions.

Therefore, seriously and comprehensively checking renamed companies should become an important job in implementing the "regulations" at present. It is necessary to focus the check on whether the 14 kinds of autonomy granted to enterprises by the "regulations" have reduced because new companies (groups) have been established, on whether government administration is separated from enterprise management in new companies, on whether their personnel and finances are separated from departments', and on whether enterprise group members have joined willingly. In checking and properly resolving renamed companies, we should break through key points, use the experience of selected units to promote work in the entire area, further clarify the guiding thought for government institutional reform, and further explore the way to "separate the two powers" and to optimize Chinese enterprises' organizational structure so as to deepen the implementation of the "regulations."

It should be pointed out that in the entire process of implementing the "regulations," all levels of government leaders should be good at promptly, accurately, and resolutely tackling problems of a tendency nature which hamper the transformation of enterprises' operational mechanisms and should make up their minds to resolve these problems. This is an important work method. The emergence of renamed companies suggests to us that in the course of establishing the socialist market economic structure in China, the traditional planned economic concept and structure are still producing their influence

in various changing forms and will give rise to a tendency of certain relapses under certain conditions. We should be soberly aware of the arduousness of implementing the "regulations." Today we may resolve the problem of renamed companies, but tomorrow there may be other problems arising.

Through discovering and rectifying renamed companies, all-level government departments should use one example to correct others and, in the course of implementing the "regulations," improve their sensitivity and accuracy in discovering and judging problems and improve their resoluteness in resolving problems of a tendency nature so that substantial progress can be constantly made in the work of transforming enterprises' operational mechanisms.

China To Drop Some Import, Export Licenses

HK2403091893 Hong Kong CHING CHI TAO PAO in Chinese No 11, 22 Mar 93 p 37

[From "China Economic News" column: "Licenses for Import and Export Commodities of Second and Third Categories Will All Be Revoked"]

[Text] China has decided to completely drop import and export licenses for commodities of the second and third categories issued by officials of the Ministry of Foreign Economic Relations and Trade [MOFERT] dispatched to the provinces and municipalities, as well as licenses for commodities of the third category issued by the provincial and city departments and bureaus of foreign economic relations and trade. As license management is still exercised over import and export of commodities of the first category directly managed by MOFERT, the move indicates that China will totally lift restrictions on import and export of commodities of the second and third categories.

It is said that there are 121 kinds of commodities of the second category, which include nonferrous metal, rolled steel, minerals, and chemical industrial products; there are 3,000 kinds of commodities of the third category, which include minerals and chemical industrial products. Export commodities of the first category, where license management is exercised, include rolled steel and 28 kinds of products.

Quality of Export Commodities Improves

OW2303143493 Beijing XINHUA in English 1355 GMT 23 Mar 93

[Text] Beijing, March 23 (XINHUA)—China has markedly improved the quality of its export commodities, after arduous efforts conducted jointly by the concerned central departments and enterprises to crack down on shoddy products.

Wang Juana, head of the State Administration for the Inspection of Import and Export Commodities, revealed

this at the opening ceremony of the National Exhibition of Product Qualities, held here today.

At the exhibition more than 1,700 manufacturers from all over the country are displaying 35 categories of commodities with over 10,000 varieties.

According to statistics, of 35 categories of export commodities inspected last year the quality of 25 categories has improved compared with the previous year, with the trade value amounting to 93.8 percent of the total export value examined by the state.

Of the 1.04 million batches of export products inspected by the state, 98 percent passed the examination, with the trade value reaching 98.4 percent of the total, both figures representing conspicuous improvements over the previous year.

Except for grains and nonferrous metals, the quality of foodstuffs, light industrial products, textiles, garments, livestock products, petroleum, textile fabrics and machinery improved last year.

According to the official, great improvements have also been made in the quality of border trade commodities, and about 97 percent of border export products subjected to official inspection were up to standard last year.

To strengthen the inspection work over the quality of export products, the state has set up 283 inspection institutes around the country, with 33 at provincial level and 189 at municipal level.

So far, the inspection institutes have set upon 537 inspection standards, issued 17,000 quality licenses and 40 million "safe product" certificates to manufacturers of export goods.

Officials Comment on 'Brain Drain' Problem

HK2403031293 Beijing CHINA DAILY in English 24 Mar 93 p 4

[From the "Opinion" page by Wang Xiaozhong: "State Enterprises Face Predicament With Brain Drain"]

[Text] Large and medium-sized State enterprises should realise that under their old administrative restrictions they are no longer likely to be able to retain management personnel and technicians.

In fact, they must prepare themselves for an outflow of talented and skilled workers as the country's market-oriented reform proceeds.

That is the lesson State enterprises should learn from the experiences of a big machine tool factory in Dalian, Liaoning Province.

The Dalian Bohai Machine Tool Factory, with nearly 7,000 employees, is the country's largest combined machine tool producer.

However, it was shocked by a sudden change last September when its chief economist, chief engineer and assistant chief accountant left for a new township machine tool factory. And nearly 50 other key members of the factory's staff followed them.

According to Li Fuxi, once the chief economist of the Bohai Factory and now director of the 90-member township factory, they left because the new factory provided them "more favourable career opportunities."

"I have the full right of decision making. I can decide on investment projects under 30 million yuan (\$5.2 million) and make distribution decisions independently," Li said in a report in Economic Daily [JINGJI RIBAO].

However, higher incomes and better housing conditions are also among their considerations.

Those departures have shaken the morale of the Bohai Factory. As skilled workers kept leaving, others began to complain about their treatment.

"Some of our departments are almost at a standstill," said Zhou Kuiwu, director of the Bohai Machine Tool Factory.

The situation has aroused a heated discussion since it was first reported in Economic Daily in early February.

Economists, managers of big State enterprises, government officials and large numbers of ordinary workers all scrambled to express their opinions over the events, showing that it has revealed a significant problem.

Owing to the country's reform policies, non-State economic sectors are developing quickly in these times. And they are in urgent need of talented people for further development.

On the other hand, most of the competent managers and skilled workers are assembled in government departments and large- and medium-sized State enterprises by highly centralized personnel and labour systems.

"It is natural for talented people to flow out of State enterprises, so that human resources can be distributed economically," said Deng Shiji, deputy chief of the Labour Distribution Division of the Enterprises Bureau of the Economic and Trade Office under the State Council.

Deng said that it is time for the country to open free channels for talent flow.

"The value of the talented personnel can be realized only when they are allowed to flow freely, and only when this is possible will the State enterprises value their talented people," Deng told China Daily.

Talented people in State enterprises used to be seen as part of the enterprises' assets. As with any other economic resources, for example advanced equipment, many State enterprises would rather leave them idle than let them go to work in other firms.

It is only with great difficulty that a man may change his work unit once he is employed by a State enterprise. There are a large number of people in the country who do not leave their current work units just because it would be too hard for them to do so.

That is part of the reason why so many people joined the discussion, even though neither of the two factories involved have anything to do with them.

As the non-State economic sectors are gaining shares in the national economy, they will acquire a relative proportion of talented persons, and many of those will come from State enterprises.

Talented people are also a kind of social resource, so anyone who wants to make use of them must compete in the market to get them.

The Bohai Machine Tool Factory was outrun by the small township enterprise in attracting talent because of their old thinking, so it suffered a brain drain.

In fact, during the past years of reform, quite a lot of talented persons have left State enterprises and a lot of them also are moonlighting in non-State enterprises.

To some extent that might be considered a natural trend toward a balanced distribution of human resources, but if the State enterprises fail to take countermeasures, they will soon find themselves down and out.

"Of course, we should compete. But it is not fair play," complained Zhou Kuiwu, director of the Bohai Factory.

"As a high-tech and township enterprise, it enjoys the government's tax deduction policies, but we have to take on the burden of thousands of retired workers, while our contributions to the government increase progressively year by year.

"It can offer the talented personnel incomes as high as several thousand yuan a month, but obviously, a State enterprise cannot do that," Zhou said.

Most managers of large State enterprises may commiserate with that.

It is really the government's obligation to relieve the heavy burdens on them and put all enterprises in the country on equal footing. In fact, the government is trying to reduce the tax rate of State enterprises and establish a personnel and labour market system.

However, as the government has vested State enterprises with full management rights by promulgating the Regulation on Shifting the Management System of State Enterprises last year, State enterprises should be actively competing with enterprises of other ownerships.

"No one will wait to compete with you until the State has made everything OK, nor will complaining help," said Deng, the official with the Economic and Trade Office.

In fact, most State enterprises are more powerful than those of other ownerships. They will be able to preserve most of the excellent talent they need if only they can abandon the old, rigid management system.

It is time for State enterprises to learn to protect their rights with their own strengths in the competitive markets.

Hong Kong, Macao, Taiwan Investors Meet

OW1803105693 Beijing XINHUA in English 1006 GMT 18 Mar 93

[Text] Beijing, March 18 (XINHUA)—Nearly 30 entrepreneurs from Hong Kong, Macao and Taiwan who have investment in the Chinese Mainland gathered at a meeting here today to discuss possibilities with mainland officials, experts and scholars for the further expansion of investment.

The meeting, the first of its kind, was jointly sponsored by the weekly magazine "OUTLOOK" (LIAOWANG) and the Goldlion (Far East) Limited in Hong Kong.

It aims to promote the mutually beneficial cooperation between enterprises of the mainland and Hong Kong, Macao and Taiwan.

During the two-day meeting, the participants will focus on such issues as the impact of the mainland's reform and opening drive on the development of enterprises involving investment from Hong Kong, Macao and Taiwan, the investment environment of the mainland and difficulties for Hong Kong, Macao and Taiwan entrepreneurs to invest in the mainland.

Since the start of the reform and opening drive in 1979, more and more entrepreneurs and industrialists from Hong Kong, Macao and Taiwan have come to invest in the Chinese Mainland.

By the end of 1992, the mainland approved 63,279 Hong Kong and Macao funded enterprises with a total investment of 74.18 billion U.S. dollars, and 10,245 Taiwan funded enterprises involving a contractual investment of 8.973 billion U.S. dollars.

Nearly 150 people attended today's opening meeting.

Official on Hong Kong, Taiwan Contributions

HK1903122093 Beijing ZHONGGUO XINWEN SHE in English 0812 GMT 19 Mar 93

[Text] Beijing, March 19 (CNS)—Director of the Taiwan, Hong Kong and Macao Department of the Ministry of Foreign Economic Relations and Trade, Mr. An Min, speaking at a symposium here, said that by the end of last year, the number of Taiwan, Hong Kong and Macao investors in the Mainland and those accounting for contractual funding and actual utilization of foreign funds made up respectively 80 percent, 75 percent and 90 percent of the country's totals in these areas by foreign businessmen.

Mr. An pointed out that their investment in the Mainland benefited the whole nation and made an enormous contribution to the country. There was no doubt that a promising future lay ahead for them and many new opportunities would present themselves.

There will be the opportunity to gain mutually from such cooperation. Taiwan, Hong Kong and Macao investment in the Mainland is considered an important field of cooperation existing among these four places. There are advantages by virtue of a combination of Mainland labour, land, raw materials, markets and science and technology with capital, technology, finance, information and sales and management experiences from these three places.

The introduction of capital from Taiwan, Hong Kong and Macao has promoted the development of the Mainland's export-oriented economy and has accumulated experience for the restructuring of the economic system and the setting up of a market economy in the Mainland.

Economic cooperation among the four places has promoted adjustment and upgrading of the industrial structure in the four places as well as strengthening their economic competitiveness in the international market.

Economic cooperation has created an enlargement of other exchanges and an enhancement of people's understanding between the two sides of the strait.

Metals Industry To Update Bar Mills Technology

OW2403115993 Beijing XINHUA in English 0709 GMT 24 Mar 93

[Text] Beijing, March 24 (XINHUA)—To meet the rising market demand for merchant rolled steel, the Ministry of Metallurgical Industry made a decision recently to speed up the industry's technological remodeling of production equipment.

China has more than 700 bar mills, accounting for more than one third of the country's total number of rolling mills, with an annual output capacity of 25 million tons. Last year, the actual output of merchant rolled steel was 16.89 million tons, some 26 percent of the country's total output of rolled steels.

Experts predict that from 1992 to the year 2000, China's city and town residential construction will reach 1.68 billion sq m, and that of rural areas six billion sq m, while reinforced concrete projects will consume some 13 million tons of bar steel annually. As a result, merchant rolled steel will be an important part in China's total steel production.

Among the existing bar mills, only 27 have been remodeled to continuous or semi-continuous rolling, accounting for only four percent of the total number of merchant rolled steel mills. Old technology and equipment has resulted in low output, low quality and high consumption.

A vice-minister of metallurgical ministry said that to solve the problems, local major steel enterprises and special steel enterprises should remodel traditional open-train mills into continuous rolling mills.

Liaoning Officials in Beijing Promote Projects

OW2303161793 Beijing XINHUA in English 1451
GMT 23 Mar 93

[Text] Beijing, March 23 (XINHUA)—A team of government officials from northeast China's Liaoning Province headed by Governor Yue Qifeng held a press conference this afternoon in Beijing to release a set of cooperative projects.

Officials from the province's 14 main cities, including mayors, directors of local economic and trade commissions, and managers of large and medium-sized enterprises, attended the fair.

500 cooperative projects in Liaoning were promoted for the benefit of potential overseas investors.

The projects promoted at today's meeting were divided into four categories. The first section was in such areas of industry as petroleum and chemicals.

The second category covered agriculture, husbandry, and processing of aquatic resources. The third section involved development of infrastructural facilities.

The fourth section involved tourism, science and technology, information and real estate.

Li Peng Sends Message to Tianjin Steel Tube Project

SK2203101393 Tianjin People's Radio in Mandarin
1000 GMT 21 Mar 93

[Text] On 18 March, State Council Premier Li Peng sent a message of congratulations to the Tianjin Municipal People's Government after hearing about the successful test of the heat-loaded steel tube rolling system of the Tianjin seamless steel tube project. The message reads: Cordial congratulations on the outstanding achievements scored by the Tianjin seamless steel tube project.

The seamless steel tube project's tube rolling system began a heat-loaded test operation at the end of last year. Over the past two months, all personnel participating in the project have actively implemented the speeches made by Comrade Deng Xiaoping during his south China tour and the 14th CPC National Congress guidelines, and have worked hard day and night in full cooperation with foreign specialists, thus achieving success in rolling 3,000 tons of seamless steel tubes of 14 varieties, with the diameter ranging from 178-273 mm and with the thickness ranging from 8-16 mm. These tubes have attained international standards in technological norms, [words indistinct], surface luminosity, and physical functions.

Inspired by Premier Li Peng's congratulatory message, builders of these seamless steel tubes have pledged to work hard with a scientific working attitude to complete the project in an all-round way and formally put this project into production as early as possible.

The Ministry of Metallurgical Industry also sent a congratulatory message to the Tianjin Municipal People's Government and the Tianjin Steel Tube Company to congratulate them on the successful test operation of the head-loaded rolling system.

The message from the Ministry of Metallurgical Industry reads: Since the Tianjin Steel Tube project began its test operation of the head-loaded tube rolling system at the end of last year, the equipment has been operated normally and steel tube products of international standards have been produced. We wish to warmly congratulate you on your obvious achievements. We also hope that you will make continued efforts to complete the project in an all-round manner as early as possible, smoothly put the project into formal production, and make new contributions to satisfying the demand of the national economy.

Development of Forest Resources Reviewed

HK2203134093 Beijing RENMIN RIBAO in Chinese
12 Mar 93 p 1

[Article by Lin Xuan (2651 1357): "China's Forest Acreage Nears 2 Billion Mu, Total Forestry Output Value Exceeds 100 Billion Yuan"]

[Text] Beijing 11 Mar (RENMIN RIBAO)—Reform and opening up have brought about great historical changes in China's forestry. A 1988-92 all-China forest resources survey showed that the China's forest acreage neared 1.946 billion mu, with a volume of growing stock in reserve amounting to 10.09 billion cubic meters, and a forest cover rate going up to 13.63 percent; compared with the results of the second (1977-81) all-China forest resources survey, the forest acreage has increased by 183 million mu, and the volume of growing stock in reserve increased by 202 million cubic meters, with the forest cover rate going up by 1.27 percentage point. Along with the increase in forest resources, total forestry output value exceeded 100 billion yuan and hit a record of 126.5 billion yuan. This signals that China's forestry has mounted a new plateau.

Minister of Forestry Gao Dezhan told this author not long ago that developing forest resources was the basis of forestry. The Forestry Ministry had firmly grasped this key, with increasing resources, vitality and economic returns as the goal, while grasping accelerating afforestation on the one hand, and grasping forest protection and management on the other hand. Presently, 21 provinces, regions, and cities across China have greater volume in forest resource growth than consumption.

To conduct engineering management on the basis of separate projects in building the forest shield system,

which has important economical effects, social benefits [she hui xiao yi 4357 2585 2400 4135], and economic returns, is an important reform of China's forestry construction. It has made great progress in the wake of the building of six major key projects in forestry. Much has been accomplished in the building of the forest shield system on the middle and upper streams of the Chang Jiang in the four years since the project began in 1989, with an additional forest acreage of 46 million mu. The building of a forest shield system in north, northeast, and northwest China on an area of 200

million mu has been completed, with the task for afforestation in the second-phase plan completed two years ahead of schedule. The building of forest shield system in the coastal areas has spread along China's 18,000-km coast, with a 13,000-km basic forest belt completed. As to building the forest belt system on plain farmland, presently 603 counties have achieved the standards for afforestation, with a forest network realized on 73.5 percent of plain farmland. In 1992, forest was built on 13 million mu of desert, fulfilling the task for harnessing sand by 130 percent.

East Region

Shandong 1992 Statistical Communique

SK2003040293 Jinan DAZHONG RIBAO in Chinese
26 Feb 93 p 3

[Statistical communique on Shandong's 1992 economic and social development released by the Shandong Provincial Statistical Bureau—date not given]

[Text] Under the leadership of the provincial party committee and the provincial government, in 1992, all people of the province conscientiously studied and implemented the guidelines of Comrade Deng Xiaoping's important speeches made during his inspection tour of south China and the guidelines of the 14th CPC Congress, further emancipated the mind, sought truth from facts, proceeded from the provincial reality to accelerate the pace of reform and opening up, intensified the implementation of the principle of rejuvenating Shandong with science and education, vigorously developed the tertiary industry, strengthened the development of basic production and basic industries, strengthened the construction of infrastructural facilities, positively cultivated the socialist market system, speeded up the development of the national economy, and further enhanced the overall economic strength. According to the preliminary calculation, in 1992, the province's gross national product [GNP] was 198 billion yuan, an increase of 19.5 percent over the previous year; the province basically struck a balance between total supply and total demand; and the economy was operating along a normal orientation.

1. The Primary Industry

In 1992, the province deeply implemented the central "decision on strengthening agriculture and the rural work"; positively increased investment; improved agricultural production conditions; and vigorously developed high-quality, high-yield, and high-efficient agriculture. The agricultural income was not reduced despite a drop in production due to the serious disasters. The increased value of agriculture was 55.6 billion yuan, an increase of 1 percent over the previous year. The total agricultural output value was 84 billion yuan, an increase of 1.8 percent.

There were both increases and decreases in the output of major farm products. The grain output was reduced by 3.276 million tons, the cotton output was reduced by 674,000 tons, the output of oil-bearing crops was reduced by 668,000 tons, and the output of fruits and vegetables increased by a big margin.

The output of major agricultural products was as follows:

1992	Unit: 10,000 tons	Percentage Increase Over 1991
Grain	3,589.3	-8.4
Wheat	1,877.8	-0.6

Cotton	67.7	-49.9
Oil-Bearing Crops	166.3	-28.7
Peanuts	164.9	-28.9
Vegetables	1,944.73	29.4
Fruits	371.8	32.0

Great development was made in forestry production. In 1992, the province afforested 242,700 hectares, an increase of 45.2 percent over the previous year. Of this, 142,300 hectares were shelter belts, an increase of 47.9 percent. Some 223 million trees were planted around houses and villages and along roads and rivers, an increase of 27.1 percent. Saplings were grown on 43,000 hectares, an increase of 28.7 percent.

The livestock production developed in a sustained manner. The output of major livestock products and the number of animals comprehensively increased.

	1992	Percentage Increase Over 1991
Meat	2,937,000 tons	12.4
Pork	1,844,000 tons	9.2
Beef and Mutton	467,000 tons	21.9
Cow milk	109,000 tons	32.9
Poultry and Eggs	1,706,000 tons	8.8
Hogs Slaughtered	23,146,000	9.8
Number of Large Animals in Stock	8,736,000	12.7
Number of Hogs in Stock	20,186,000	4.9
Number of Sheep in Stock	23,732,000	9.6

The fishery production increased by a big margin. The output of aquatic products reached 2.48 million tons, an increase of 25.2 percent. Of this, the output of saltwater products reached 2.25 million tons, an increase of 26.5 percent; and that of freshwater products reached 230,000 tons, an increase of 13.9 percent. Some 70,000 tons of aquatic products were exported, an increase of 20,000 tons over the previous year. Some \$250 million in foreign exchange was earned from the export of aquatic products, an increase of \$70 million.

Agricultural production conditions improved further. By the end of 1992, the aggregate power of the province's farm machinery was 32.46 million kilowatts [kw]. This included 8.091 million kw created by tractors for agricultural use, an increase of 1.4 percent. Rural consumption of electricity was 10.02 billion kw hours [kwh], up 19 percent. A total of 2.819 million tons of chemical fertilizers (100 percent effective content equivalent) were used, up 3.8 percent. The effective irrigated acreage was 4,596,700 hectares, up 1 percent.

The rural economy developed rapidly. In 1992, the total product of the rural society was 287.2 billion yuan, up

32.5 percent over the previous year. Of this, such non-agricultural industries as the rural industry, construction, transportation, and commercial and catering trade went up by 38 percent, and their proportion in the total rural economy rose from 63.4 percent in the previous year to 70.8 percent.

2. The Secondary Industry

In 1992, in line with the demand for establishing the socialist market economic system, the whole province accelerated the pace of enterprise reform, actively readjusted the production structure, made great efforts to improve efficiency, and vigorously controlled the quality of products, resulting in a sustained and rapid development of the province's secondary industry. The increased value of the secondary industry was 97.6 billion yuan, up 29.1 percent, with its proportion in the gross domestic product rising from 46.7 percent in the previous year to 49.3 percent.

Industrial production went up rapidly. In 1992, the total provincial industrial output value was 354.338 billion yuan, up 33.5 percent over the previous year. Of this, the total output value of the industry at or above the township level was 232.868 billion yuan, up 23.2 percent; and the sales value was 217.257 billion yuan, up 24.1 percent.

New headway was made in structural readjustment. Industries of various economic sectors developed rapidly, and the proportion of the output value of nonstate-owned enterprises went up. The state-owned industry went up by 16.5 percent; the collectively owned industry went up by 31.4 percent, of which, the township-run industry went up by 47.3 percent; and industries of other economic sectors, with the three types of foreign-invested enterprises as the main body, went up by 61.5 percent. In the output value of the industries at or above the township level, the proportion of the nonstate-owned enterprises reached 44.65 percent, up by 1.48 percentage points over the previous year. Light and heavy industries went up at the same pace. Promoted by the investment demand, heavy industry developed rapidly. The output value of heavy industry was 118.743 billion yuan, and its sales value was 113.099 billion yuan, up by 24.9 percent and 24.2 percent, respectively, over the previous year. The output value of light industry was 114.125 billion yuan, and its sales value was 104.157 billion yuan, respectively up by 21.6 percent and 24.0 percent over the previous year. The product mix was readjusted further. As a result of arranging production in line with market demands, industrial enterprises throughout the province effected a new change in their product mix. Major raw materials, energy resources, and agriculture-oriented products increased rapidly, and the production of some light industrial and electronics industrial products that did not meet market demand was put under control. Of the 90 varieties of major products that were under assessment on a priority basis, 63 varieties, or 70 percent, had their output increase.

The output of major industrial products was as follows:

	1992	Percentage Increase Over 1991
Cameras	352,000	43.1
Color Television Sets	359,900	24.5
Household Washing Machines	607,500	-1.2
Electric Fans	2,347,700	2.9
Household Refrigerators	217,000	-31.1
Chemical Fiber	68,100 tons	28.7
Yarn	701,800 tons	16.2
Cloth	2.154 billion meters	1.9
Beer	1,394,200 tons	30.2
Machine-Made Paper and Paperboard	1,384,300 tons	7.1
Synthetic Detergents	153,300 tons	27.7
Raw Coal	63,749,300 tons	5.3
Crude oil	33,461,000 tons	-0.3
Electricity	56.533 billion kilowatt hours	13.9
Steel	2,798,400 tons	11
Rolled Steel	2,069,200 tons	19.4
Soda Ash	931,900 tons	16.9
Caustic Soda	425,800 tons	12.8
Chemical Fertilizer	1,625,500 tons	13.1
Chemical Insecticides	21,600 tons	24
Plastic Sheets for Farm Use	64,200 tons	44.2
Synthetic Rubber	115,300 tons	4.1
Cement	30.17 million tons	25.4
Metal-Cutting Machine Tools	14,258	-0.6
Motor Vehicles	17,300	51
Large and Medium-Sized Tractors	9,660	-3.6
Small Tractors	303,400	11.2

Production and marketing became more coordinated. In 1992, industrial enterprises at and above the township level throughout the province registered a marketing rate of 93.3 percent, up 0.85 percentage points from the previous year. The marketing rate of state industrial enterprises was 97.02 percent, that of collective enterprises 88.56 percent, and that of the enterprises of other ownerships 92 percent, up 0.53, 1.25, and 0.74 percentage points, respectively. Taking advantage of their personnel and scientific and technological forces, large and medium-sized enterprises made active efforts to transform their operating mechanism and to increase the competitive edges of their products. The marketing rate

of their products was 97.02 percent, which was 3.72 percentage points higher than the province's average.

Economic efficiency picked up steadily. The overall index of the economic efficiency of the province's industrial enterprises at and above the township level which adopted the independent accounting system was 90.04 percent, up 6.53 percentage points from the previous year; their increased value was 62.25 billion yuan, up 26.6 percent; their profits and taxes delivered to higher authorities were 19.918 billion yuan, up 26.5 percent; and their profits 6.723 billion yuan, up 38.1 percent. The six norms used to calculate the overall index of economic efficiency all improved from the previous year. Of them, the profit-tax rate of funds was 9.28 percent, up 0.48 percentage points; the profit to cost rate was 4.19 percent, up 0.47 percentage points; the productivity was 10,806 yuan per-capita, up 25.3 percent; the circulation of circulating funds was 1.77 times, up 0.03 times; and the number of loss-making enterprises dropped by 2.37 percentage points.

The construction industry witnessed robust development and its efficiency improved. Construction business was notably accelerated, thanks to the high-speed growth in the fixed asset investment and the continuous deepening of the reform of construction enterprises. The annual increased value of the construction industry was 10.2 billion yuan, up 24.3 percent from the previous year. State and collective construction enterprises at and above the county level throughout the province created 8.716 billion yuan in output value in the year, an increase of 26.1 percent; built 19,438,700 square meters of houses, up 17.7 percent, and completed 43.1 percent of them; and their per-capita productivity was 21,123 yuan, up 17.5 percent.

3. The Tertiary Industry

In 1992 the development of the tertiary industry was notably accelerated, thanks to a series of specific policies and measures formulated by the provincial party committee and the provincial people's government to develop it. The annual increased value of the tertiary industry reached 44.8 billion yuan, a 23.2 percent increase over 1991. Its proportion in the gross domestic product increased from 20.6 percent in 1991 to 22.6 percent in 1992, showing a 2 percent increase.

The conditions of communication and transportation were notably improved. The province enhanced the construction of various communications infrastructures in 1992, upgraded the transportation capability, and increased the volume of both freight and passenger transportation. In the year, the highway mileage increased by 1,197 km to make the province's total mileage of highways 43,134 km by the end of the year. Of the total, 27,931 km are highways of high grade or the grade next to it. This ranked the province in the front tier of the country. The province's volume of goods transported reached 476.15 million tons, a 7.9 percent increase over 1991. Of this volume, goods transported by

railways reached 85.758 million tons, a 2.4 percent increase over 1991; and goods transported by highways reached 376.837 million tons, a 9 percent increase. The province's volume of passengers transported reached 340 million persons, a 6.1 percent increase over 1991. Of this volume, passengers transported by railways reached 30 million, the same as that in 1991; and passengers transported by highways reached 30.1 million, a 6.7 percent increase. The province's loading and unloading volume of harbors reached 67.93 million tons, an 11.5 percent increase over 1991, topping the previous peak.

The volume of goods and passengers transported by various transportation means was as follows:

	1992	Percentage Increase Over 1991
Goods Transported by		
Railways	62,830,000,000 tons/km	5.3
Highways	18,931,000,000 tons/km	13.6
Waterways	5,920,000,000 tons/km	17.3
Passengers Transported by		
Railways	16,940,000,000 persons/km	6.7
Highways	18,002,000,000 persons/km	8.5
Waterways	119,000,000 persons/km	24

The province's aviation business was developed by leaps and bounds in the year. By the end of 1992, the province had opened 41 air routes connected with 22 cities throughout the country. Its annual volume of goods and postal materials transported by air reached 14,300 tons, a 47.9 percent increase over 1991; and that of passengers transported by air lines reached 895,300 persons, a 51.6 percent increase.

The development of postal and telecommunications business was notably accelerated in the year. The total volume of postal and telecommunications business in the year reached 1.56 billion yuan, a 51.1 percent increase over 1991. The province's 88 counties, cities, and districts are provided with long-distance direct dialing service, and 60 of them can dial directly to other countries of the world. Transactions of special and express mail delivery rose by 88.1 percent, and the stamp collection business rose by 45.9 percent. The transactions of paging services and those of mobile phone services both showed a 1.7-fold increase over 1991. The telecommunications business with foreign countries, Hong Kong, and Macao showed a notable increase. By the end of 1992, the capacity of urban telephone switchboards reached 714,000 lines, a 32 percent increase over 1991. Of this capacity, 472,000 lines were program-controlled, a 75.5 percent increase. The total number of

rural households that had a telephone set reached 95,000, a 17.1 percent increase over 1991.

Domestic markets were brisk in the year, and commodity sales showed a faster increase. Commodity circulation departments seized the favorable opportunity of economic development in 1992 to actively establish or develop markets to expand commodity sales. The annual commodity retail sales reached 79.4 billion yuan, a 19.7 percent increase over 1991, or a 13 percent increase when allowing for price hikes. The retail sales of consumer goods reached 65.03 billion yuan, a 21.3 percent increase over 1991; and 6.11 billion yuan of the consumer goods were sold to social institutions, a 22.1 percent increase. The retail sales of the means of agricultural production reached 14.37 billion yuan, a 12.8 percent increase over 1991. Of the retail sales of consumer goods, that to urban residents reached 43.36 billion yuan, a 23.6 percent increase over 1991; and that to rural people reached 21.67 billion yuan, a 16.9 percent increase.

The retail commodity sales in various economic sectors increased comprehensively. The state enterprises gave better play to their role as the main channels. Their retail sales volume reached 31.19 billion yuan, up 23.1 percent from the previous year; and the volume's proportion in the total retail sales of commodities in society rose from 38.2 percent in the previous year to 39.2 percent. The retail sales of collective enterprises totaled 28.28 billion yuan, up 12.1 percent; the retail sales of individual enterprises reached 15.42 billion yuan, up 26.5 percent; and the retail sales of the goods peasants sold to urban people reached 4.35 billion yuan, up 22.5 percent.

The retail sales volume of the consumer goods sold to the people in 1992 reached 58.92 billion yuan, an increase of 21.2 percent over the previous year. Of the total, food increased 3.3 percent, clothing, 24 percent, and daily necessities, 25.1 percent.

In the sales of all kinds of consumer goods, food, such as grain, increased 3.6 percent, edible vegetable oil, 3.3 percent, and aquatic products, 3 percent. In the sales of cloth and garments, cotton cloth declined by 30 percent, and all kinds of garments increased 2.5 percent. In the sales of durable consumer goods, black and white television sets, electric fans, and refrigerators declined, and all others increased.

Urban and rural trade fairs were brisk. In 1992, the investment in building country trade fairs across the province reached 2.8 billion yuan, up 200 percent over the previous year. At the end of the year, the whole province had 7,632 country trade fairs, an increase of 638. The transaction volume of country trade fairs totaled 30.3 billion yuan, up 56.5 percent over the previous year. Of it, 14.5 billion yuan came from urban trade fairs, up 90.6 percent; and 15.8 billion yuan came from rural trade fairs, up 34.3 percent.

The purchases and marketing in the markets for the means of production were brisk. In 1992, material

departments in the province bought 43.747 billion yuan of the means of production, up 44.2 percent from the previous year; and sold 46.014 billion yuan of the means of production, up 42.7 percent. Of the means of production sold, rolled steel totaled 5,512,000 tons, up 48.9 percent; coal, 46,677,700 tons, up 8.5 percent; timber 2,987,100 cubic meters, up 8 percent; and motor vehicles, 101,200, up 37.3 percent.

New breakthroughs were achieved in foreign economic relations and trade, fairly good progress was made in earning foreign exchange through exports, and economic efficiency rose remarkably. The whole province's total commodity export volume in 1992 was \$4.701 billion, up 22.8 percent over the previous year. Of the total export volume, locally managed exports totaled 2.797 billion, up 19 percent; and the exports of the "three types of foreign-funded enterprises" were \$830 million, up 130 percent. The cost of foreign exchange earning through exports declined, and the situation of long-term deficits incurred by foreign trade enterprises further improved. During the year, the imports managed by the province totaled \$989 million, up 28.2 percent over the previous year.

The investment environment improved noticeably, and the use of foreign capital doubled and redoubled. The whole province approved 4,651 projects using foreign capital, an increase of 290 percent; the contracts involved \$4.72 billion in foreign capital, an increase of 360 percent; the actual use of foreign capital totaled \$1.38 billion, an increase of 190 percent. Of these projects, 4,109 were foreign-funded enterprises (three types of foreign-funded enterprises), the contracts involved \$3.92 billion in foreign capital, and the actual use of foreign capital reached \$970 million, showing an increase of 4.1 times, five times, and 4.4 times, respectively. Among the newly approved three types of foreign-funded enterprises, 438 were wholly foreign-funded enterprises, an increase of 362 enterprises. Thirty-seven contracts on using foreign government loans were signed, and the contracts involved \$106 million. Actually, \$120 million was used.

New progress was made in foreign economic and technological cooperation. The province signed 187 contracts for construction projects in other countries and for the export of labor services, and the contracts involved \$85.91 million, showing an increase of 52 percent and 44.3 percent, respectively, over the previous year. We strove for 29 international gratis aid projects which involved \$25 million.

International tourism was further enlivened. In 1992, the province received 241,000 visitors from foreign countries, Hong Kong, Macao, and Taiwan, including those engaged in economic and trade activities, an increase of 40.3 percent. Of these, 127,000 were foreign visitors, an increase of 27.8 percent; 8,000 were Overseas Chinese, an increase of 59.3 percent; 60,000 were compatriots from Hong Kong and Macao, an increase of 79.8 percent; and 47,000 were compatriots from Taiwan, an

increase of 35.9 percent. Foreign exchange earnings from tourism reached 340 million yuan, an increase of 25.2 percent.

The banking situation was fairly stable. By the end of 1992, the savings deposits of banks reached 145.553 billion yuan, an increase of 28.373 billion yuan; and the balance of loans totaled 171.749 billion yuan, an increase of 29.588 billion yuan over the figure at the beginning of the year. The credit structure was readjusted, and the loans to support the purchasing of fixed assets and agriculture rose by a big margin. The amount of loans to help circulate capital was reduced.

The total cash income of banks reached 234.642 billion yuan, an increase of 34.2 percent; and the expenditures of the banks reached 240.697 billion yuan, an increase of 33.5 percent. When the income and the expenditures were balanced, the net amount of currency put into circulation was 6.055 billion yuan, an increase of 507 million yuan over the previous year.

The insurance business was further developed. The total insurance business volume reached 409.5 billion yuan, an increase of 21.6 percent over the previous year. Some 31,000 enterprises across the province bought property insurance policies, 12,947 million households bought household property insurance policies, and 19,328 million people bought life insurance policies. The domestic and international insurance income reached 2.734 billion yuan, an increase of 61.4 percent over the previous year. Reparations, totaling 1.328 billion yuan, were paid for losses at home and abroad, an increase of more than 100 percent. Of these, reparations, totaling 1.011 billion yuan, were paid for 181,000 claims for property losses at home; 224 million yuan worth of reparations were paid to 944,000 persons for life insurance. Reparations for losses involving foreigners totaled \$16.237 million (equal to 93 million renminbi yuan.)

New progress was made in science and technology. In 1992, the province made 2,668 major scientific and technological findings. Of these, 327 attained the internationally advanced levels, 1,538 attained the nationally advanced levels, 38 won the state scientific and technological progress prizes, 15 won the state invention prizes, and 445 won the provincial scientific and technological progress prizes. By the end of 1992, there were 2.23 million specialized technicians of various categories, including 1.85 million in state-owned units in the fields of natural and social sciences. There were 419 state-owned independent scientific research and development organizations at or above the county level and 2,520 nongovernmental scientific research organizations.

The province made noticeable achievements in rejuvenating agriculture with science and technology. In 1992, 134 counties, cities, and districts assigned deputy heads to take charge of scientific and technological work; 93 percent of towns and townships assigned full-time scientific and technological and managerial cadres; 81 percent of towns and townships assigned deputy heads to take

charge of scientific and technological work; and 87.9 percent of administrative villages elected chairmen in charge of scientific and technological work. Five hundred and ninety projects covered in the provincial "spark" plan were developed throughout the province. Upon the completion of these projects, 3.92 billion yuan of output value were newly added, 840 million yuan of profits and taxes were realized, \$260 million in foreign exchange were earned or saved, and some 230,000 technicians and managerial personnel were trained for the rural areas.

The technology markets became increasingly more brisk with each passing day. The pace of turning technological findings into commodities was accelerated. By the end of 1992, there were 3,380 technology trading organizations of various categories. These organizations had an employment of 42,000 people. Of them, more than 60 percent were science professionals and technicians. In 1992, 14,060 technological contracts were signed, and 830 million yuan were involved in these contracts.

The patent work developed rapidly. In 1992, the province received and handled 4,445 applications for patents, and granted patent rights to 2,108 of them, up by 32.7 percent and 34.3 percent, respectively, from the previous year. In 1992, 1,605 patents were carried out, which newly added 3.742 billion yuan in output value, generated 410 million yuan in profit and tax, and created \$120 million in foreign exchange.

New achievements were made in technological development of large and medium-sized industrial enterprises. In the province, 51 percent of large and medium-sized industrial enterprises set up specialized technology development organs, and more than 50,000 persons were engaged in a technological development activity. Six thousand technological development projects were completed or were being carried out.

Construction of high and new technology development zones was accelerated. By the end of 1992, the province established Weihai, Jinan, Qingdao, Weifang, and Zibo statelevel development zones as well as Zaozhuang, Yantai, Jinan, and Linyi provincial-level development zones. A total of 3 billion yuan was invested in these nine development zones, decisions were made to develop 24.6 square km of land according to agreements, and construction of plant houses and subordinate facilities covering a total floor space of 958,000 square meters was completed. The province recognized 152 high and new technology enterprises; carried out 325 high and new technology projects; developed 342 high and new technology products; generated 2.71 billion yuan in output value, 560 million yuan in profits and taxes, and \$105 million in foreign exchange; and conserved \$81.5 million in foreign exchange.

Lateral economic associations were expanded further. In 1992, the province signed 5,710 domestic cooperation projects, up 13.5 percent over the previous year; the planned amount of funds involved in these projects was

5.951 billion yuan according to the contracts, up by 380 percent; and contracts worth 3.101 billion yuan was honored, up by 170 percent. In 1992, the province brought in 1.177 billion yuan of funds, 2,086 technologies, and 8,128 talented people from the places outside the province.

The work and technical level in the province's meteorological, mapping, and standard measurement fields continued to improve. Meteorological departments forecast various kinds of natural calamities in a relatively correct and timely manner, and provided service for production and livelihood, thus achieving marked economic and social results. Mapping departments surveyed and drew 1,285 maps of various scales; drew 393 new maps; and provided society with 111,000 maps of various scales, 114,000 aerial pictures, and 6,842 groups of data for key areas. Technological supervisory departments worked out 27 local standards at the provincial level and adopted world standards to examine and approve 381 projects. In the year, the province evaluated 828 measurement standards and completed one state measurement examination rule and 16 local measurement examination rules. The province supervised and examined 290 varieties of products on a regular basis and found that 72.9 percent of products were up to standard. In the 605 products under the state supervision and spot checks, 69.4 percent were up to standard; and in the 1,366 products under the provincial supervision and spot checks, 83.4 percent were up to standard. Both of them registered a relatively large scale of improvement over the previous year.

Environmental protection developed on a relatively large scale. By the end of 1992, the province's environmental protection departments possessed 151 environmental monitoring stations and 10 natural reserves at the state and the provincial levels. The province completed 969 environmental pollution control projects, consuming a total investment of 330 million yuan. In 1992, the province built 188 smoke and dust control areas in 38 cities, with the total areas reaching 741 square km; and built 92 noise control areas in 35 cities, with the areas reaching 263 square km.

Regular higher education was developed fairly rapidly in the process of adjustment. In 1992, the province enrolled 770 graduate students, up 9.7 percent from the previous year, to make the total number of graduate students 2,113, up 5.6 percent. Regular higher educational schools enrolled 57,400 students for regular and special college courses, up 59 percent, to make the total number of college students 129,700, up 21.1 percent. The setup of specialties was further adjusted. Fewer students were enrolled for the specialties that have excessive students, and more students were enrolled for engineering, medical, and financial and economic specialties.

Secondary education developed steadily. In 1992, the number of vocational and technical schools of various categories increased to 1,077 and their students to 584,000. The proportion of their students was 54.4

percent of the total number of the students at senior middle schools as compared to 52.7 percent in 1991. The students of senior middle schools increased by 7,000, or 1.5 percent; and the students of junior middle schools increased by 88,000, or 2.7 percent.

Elementary education was made universal, and its teaching quality was further improved. Primary school pupils totaled 8.152 million in 1992; the school attendance rate of school-age children was 98.6 percent, up 0.2 percentage points from the previous year; 82.3 percent of primary school graduates attended higher-grade schools, up 3.4 percentage points; and the dropout rate of primary school students declined to 1.3 percent. Preschool education also developed fairly rapidly. Children attending nurseries and kindergartens totaled 2.583 million in 1992, up 11.4 percent from the previous year. Students at special schools totaled 12,000, up 26.5 percent.

A multiform training network was established for adult education. In 1992, 49,000 students were enrolled in regular or special college courses for adults, up 86 percent from the previous year, to make the total number of such students 105,000, up 0.8 percent. Students attending secondary specialized courses for adults totaled 106,000, up 69.3 percent; those attending adult technical training courses totaled 3,602 million, up 23 percent; and students attending middle-school courses for adults totaled 29,000, up 30.9 percent.

Cultural undertakings and literary and art were made to flourish. In 1992, the number of film projection units totaled 10,049, which presented 168 new feature films; the number of various art performing groups totaled 120; the number of public libraries totaled 124; the number of cultural centers was 156; and the number of archives was 173, in which 4.8 million files were stored. In 1992, radio stations were increased to 74 in number; medium- and shortwave transmission and relay stations totaled 30; television stations totaled 41; and television transmission and relay stations each with a capacity of over 1,000 watts totaled 75. The average daily broadcasting time of the province's radio stations totaled 621 hours and 15 minutes, and the average weekly broadcasting time of the province's television stations was 1,699 hours and 18 minutes. Radio and television coverage reached 86 and 84 percent, respectively. In the year, the province published 2,874 books and pictures, totaling 397.53 million copies; 184 magazines, totaling 46.093 million copies; and 67 newspapers, totaling 930 million copies.

The public health undertakings achieved steady development, and the medical conditions were further improved. In 1992, the province had 2,924 hospitals of various categories, an increase of 63 over 1991. The hospitals had 170,700 beds, a 3.6 percent increase over 1991. The province had 247,200 health personnel of various technologies, a 2.5 percent increase over 1991. Of these personnel, 105,700 are doctors, showing a 0.7 percent increase over 1991.

The province made better achievements in the undertakings of physical culture and sports. In 1992, one athlete of the province broke one world record on one occasion, four athletes broke one Asian record on four occasions, and 17 athletes broke 11 national records on 18 occasions. During both domestic and international key events, the province's athletes won one world championship and 35 national championships. There were 7.69 million people in the province who reached the "sports training standards set by the state;" and 51 counties were ranked among the advanced sports counties of the country.

4. The Investment in Fixed Assets

The investments made in fixed assets increased. The investments made by the society as a whole in fixed assets reached 58.38 billion yuan, a 32.7 percent increase over 1991. Of these investments, those made by local units reached 47.67 billion yuan, a 37.1 percent increase. The investments made by the state-run units reached 32.8 billion yuan, a 40.2 percent increase. Of the total, those made in the projects of capital construction reached 16.333 billion yuan, a 46.2 percent increase over 1991; and those made in technical renewal and renovations reached 8.54 billion yuan, a 36.5 percent increase. Of these investments made in fixed assets, those made by the collective units reached 14.574 billion yuan, a 39.2 percent increase over 1991; and those made by the individually run units reached 10.997 billion yuan, an 8.8 percent increase.

The structure of investments was further readjusted to strengthen the primary and tertiary industries. Of the investments made by the state-run units in 1992, those made in the development of primary industry reached 663 million yuan, a one-fold increase over 1991; and their proportion in the total investment increased from 1.4 percent in 1991 to 2 percent in 1992. Those made in the development of secondary industry reached 18.068 billion yuan, a 15.3 percent increase over 1991; and their proportion in the total investment decreased from 67 percent in 1991 to 55.1 percent in 1992. Of these investments made in the development of secondary industry, those made in the projects of energy resources and raw materials reached 11.998 billion yuan, a 16.2 percent increase over 1991. The investments in the development of tertiary industry reached 14.074 billion yuan, a 90.2 percent increase over 1991; and their proportion in the total investment increased from 31.6 percent in 1991 to 42.9 percent in 1992. Of the investments made in the development of tertiary industry, those made in the undertakings of communications, transportation, and post and telecommunications reached 4.308 billion yuan, a 76.3 percent increase over 1991; those in commerce, food business, and service business reached 1.555 billion yuan, a one-fold increase; those in the undertakings of culture, education, public health, sports, and scientific research reached 1.49 billion yuan, a 22.5 percent increase; those in the business of real estate and public service utilities reached 4.566 billion yuan, a one-fold increase.

The construction of key projects achieved smooth progress. Of the 63 large and medium-sized capital construction projects which were under construction, seven were completed and commissioned in the year. The investment made in these projects reached 6.86 billion yuan, equivalent to 108.5 percent of the annual plan and an increase of a 2.8 percentage points over 1991.

Enterprises accelerated their technical transformation. In 1992, state units used 52.44 percent of their investment in equipment renewal and technical transformation to conserve energy resources, increase the varieties and patterns, improve the quality of their products, and treat waste gas, waste water, and industrial residue; this figure represents an increase of 25.9 percent over the previous year; and they invested 3.89 billion yuan in renovation, an increase of 27.1 percent.

Construction of commercial houses was notably expedited. In 1992, the province invested 3.526 billion yuan in building commercial houses, up 1.19 times from the previous year. A total of 4,691,500 square meters of such houses were completed, up 39.6 percent from the previous year. Of the total investment, 2.53 billion yuan were invested in building commercial residential houses, up 1.07 times; and 3,801,700 square meters of such houses were completed, up 30.1 percent.

5. Prices

Price reform was accelerated, and market prices were brought under control fairly successfully. In 1992, the province adjusted the prices of some farm and sideline products and the products of the basic industries and lifted price controls on 239 kinds of commodities to subject them to market regulation. There was no large fluctuation in prices, thanks to the improved macroeconomic environment, the ample commodity supplies, and the stable consumer demand. The general level of retail prices rose by 5.9 percent, with that in urban areas rising by 8.1 percent and that in rural areas 3.1 percent. The percentage of increase of the prices for the eight kinds major consumer goods, means of agricultural production, and services are listed as follows:

	The Province	Urban Areas	Rural Areas
Foods	7.6	10.4	4.0
Clothes	5.7	8.1	2.7
Daily Necessities	1.7	1.8	1.5
Cultural, Recreational Goods	-5.1	-5.6	-4.4
Books, Newspapers, Magazines	3.1	4.3	1.6
Medicines, Medical Instruments	12.3	12.4	9.8

Building materials	5.3	6.1	4.3
Fuels	34.1	35.9	31.8
Means of Agricultural Production	1.4		1.4
Service Charges	12.6	14.3	10.5

Prices in trade fairs remained the same as in the previous year. The people's cost of living prices rose by 6.8 percent, with that of urban areas rising by 8.6 percent and that of rural areas 4.6 percent. The purchasing prices of farm and sideline products rose by 6 percent. Rural retail prices of industrial goods rose by 3 percent, and the price difference in the exchange of industrial and agricultural products was reduced by 2.8 percent. The ex-factory prices of industrial goods rose by 9.7 percent.

6. People's Life and Population

Urban and rural people enjoyed sustained increase in their income. In 1992, urban people's per-capita cost of living income was 1,836 yuan, up 17.3 percent from the previous year, or up 8 percent when allowing for inflation. Peasants' per-capita net income was 803 yuan, up 5.1 percent, or up 1.4 percent when allowing for inflation.

The actual living standards of urban residents improved further, and their housing condition continued to improve. The per-capita spending of urban residents used as living expenses was 1,630 yuan, up 15.8 percent; and that of rural residents was 655.7 yuan, up 7 percent. Consumption and income of residents increased simultaneously. Data from sample surveys show that the per-capita housing space of urban residents was 10.7 square meters, and that of rural residents was 19.32 square meters.

The durable consumer goods possessed by urban and rural residents continued to increase. The number of durable consumer goods possessed by each 100 urban and rural households was as follows:

	Urban Areas	Rural Areas
Television Sets	112.2	77.1
Color Sets	77.9	11.2
Tape Recorders	78.7	19.3
Household Refrigerators	67	2.6
Washing Machines	82.8	7.2
Electric Fans	164.4	77.6
Sewing Machines	72.3	70.1
Cameras	22.8	2.0

The ranks of staff and workers were expanded, and the level of their wages improved. By the end of 1992, staff and workers in the province numbered 8,332,900, 300,000 persons more than at the end of the previous

year. Of them, staff and workers employed by state-owned units numbered 6 million, 201,000 more than at the end of the previous year. Of the staff and workers of the state-owned units, the number of staff and workers employed on a contract basis was 1.577 million, an increase of 236,000 persons. The proportion of contract workers in the total number of workers of state-owned units rose from 23.1 percent in the previous year to 26.3 percent. The total wage bill of staff and workers was 21 billion yuan, up 17 percent over the previous year, and the average wages of staff and workers amounted to 2,580 yuan, up 12.6 percent.

There were large gains in savings deposits in both urban and rural areas. By the end of 1992, the value of savings deposits by urban and rural residents totaled 88.415 billion yuan, or 16.253 billion yuan more than at the beginning of 1992. Of this total, the value of savings deposits by urban residents amounted to 60.637 billion yuan, an increase of 13.09 billion yuan; and that of rural residents, 27.778 billion yuan, an increase of 3.163 billion yuan.

Social welfare service continued to develop. By the end of 1992, there were 4,743 social welfare institutions of various types in the province to house 81,000 persons. There were 28,409 social security foundations, and 89.5 percent of the people benefited from the social security network. In 1992, a total of 79.22 million yuan of relief funds were issued to support 542,000 poverty-stricken households, of whom, 167,000 households were extricated from poverty. There were 4,049 social welfare enterprises in the province, and 65,200 handicapped persons were employed by them. They produced 4.88 billion yuan in output value, showing a relatively big increase over the previous year.

The population's increase scale dropped obviously. In 1992, party committees and governments at all levels strengthened family planning measures to strictly control population growth, thus achieving marked results. According to a sample survey on the change of population, in 1992 the birth rate of the population in the province was 11.43 per 1000, the death rate was 6.88 per 1000, and the natural growth rate was 4.55 per 1000. Calculated based on this, the total population of the province was 86.103 million by the end of 1992.

Notes: 1) The gross domestic product, increased value, and total output value quoted in this communique are at current prices for the year. Except for the total product of the rural society, all growth rates are calculated at comparable prices.

2) All figures in this communique are preliminary statistics.

State Council Ratifies Steel Company in Shandong

OW2203084593 Beijing XINHUA in English 0759
GMT 22 Mar 93

[Text] Beijing, March 22 (XINHUA)—The Chinese State Council recently ratified the construction of the five million-ton first-stage project of the Qilu Iron and Steel Corporation in Jining Prefecture of east China's Shandong Province.

Sources from the Ministry of Metallurgical Industry said that in line with the state's overall planning and layout of the iron and steel industry, a new 10 million-ton iron and steel base is to be constructed in Shandong.

The site of the second-stage project is still being studied, but sources from the Ministry released that Rizhao, the port city on the coast of the Yellow Sea, will be given priority.

The Qilu Iron and Steel Corporation will be a large, modern, integrated complex, covering the complete production processes from raw materials, iron and steel smelting and rolling to transportation through special ports. The investment will mainly come from the Capital Iron and Steel Corporation (CISC), while the state and Shandong Province will also put in some money. Foreign funds will be introduced as well.

The corporation will issue stocks and be managed accordingly, and will be governed by a board of directors. The chairman of the board and the general manager will come from CISC, while the Communist Party secretary of the new corporation will be nominated by the CISC for approval by the Shandong provincial party committee.

At present, preparations for the construction of the project have already started. Plans are for the first-stage project to be finished within three years.

Shandong Combines Discipline, Supervision Organs

SK2103070293 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 20 Mar 93

[Text] The Jinan Discipline Inspection Commission and the Jinan Supervision Bureau were combined and began to handle official affairs on 20 March. It is the first of its kind in the province.

After combining the two offices, the system of one working organ with two names and two functions will be implemented. This organ will shoulder the dual tasks of handling discipline inspection and supervision work.

After being combined, the number of sections subordinate to these two organs has been reduced by 25 percent, dropping from the original 16 sections to 12 sections.

Shandong People's Courts Handle Economic Cases

SK2303084093 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 22 Mar 93

[Text] The people's courts at all levels throughout the province have attached great importance at and enhanced the work of bringing economic cases to trial. They have provided in a timely manner legal services with fine quality and high efficiency for reform, opening up, and economic construction. Since the beginning of 1992, the people's courts throughout the province have brought more than 97,000 economic cases to trial and wound them up as well. The volume of taxes recovered from the cases has reached more than 2.7 billion yuan, and the yearly average increase in recovered taxes has reached 86 percent, which ranks the province first in the country. The money recovered from mediating the economic contradictions and disputes and from clearing up the creditor's rights and debts has reached more than 5.6 billion yuan, topping the province's previous high.

Zhejiang Accelerates Railway Construction

OW2303121993 Beijing XINHUA in English 0752
GMT 23 Mar 93

[Text] Hangzhou, March 23 (XINHUA)—More than 10,000 workers are constructing railways in east China's Zhejiang Province in a bid to solve the transport problems within three years.

A provincial official in charge of transportation said that the province is double-tracking the Zhejiang-Jiangxi and Xiaoshan-Ningbo Railways, and building a marshalling yard as well as a railway station for passengers in Hangzhou, capital of the province.

These projects require the investment of 2.52 billion yuan and should be completed in 1995.

The official acknowledged that current railway transport difficulties are affecting the province's economic development.

Upon completion, the official noted, the capacity of the two railways will double.

The Zhejiang-Jiangxi Railway is expected to transport 21.5 million tons of cargo and operate 35 passenger trains, and the Xiaoshan-Ningbo Railway will ship two million tons of goods and run 16 passenger trains.

'Heavy Explosion' at Zhejiang Power Plant

OW1103153793 Beijing XINHUA in English 1437
GMT 11 Mar 1993

[Text] Ningbo, March 11 (XINHUA)—Seventeen people were left dead and 25 injured in a heavy explosion at the Beilun port power plant of Ningbo city in eastern Zhejiang Province yesterday.

The explosion occurred at 14:08 (Beijing time) on March 10, from the boiler of the No. 1 generating unit imported from abroad, according to local official sources.

Provincial officials headed an emergency team to direct operations soon after the disaster, according to the sources.

Departments concerned are working on the rescue and emergency treatment of the wounded, the sources said.

The sources noted that some State Council leaders have sent telephone messages demanding that the local government spare no efforts to handle the case.

The cause of the explosion is being investigated.

Death Toll Reaches 24

OW1303082793 Shanghai People's Radio Network in Mandarin 2300 GMT 12 Mar 93

[From the "Morning News" program]

[Text] According to a report from Ningbo, the number of deaths in the partial explosion of the 115-ton boiler of the first generating unit of the Beilunkang Power Station in Ningbo has increased to 24. According to JIEFANG RIBAO, among the deaths were some civilian workers of Beilun District, in addition to the power station's workers and staff. It has been learned that the suspension of operations of the first generating unit of the Beilunkang Power Station has affected the normal operation of Huadong's electricity grid.

Central-South Region

Xie Fei Attends Guangdong Propaganda Meeting

HK1903001493 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 14 Mar 93

[Text] A four-day provincial propaganda work meeting ended in Guangzhou today. The meeting relayed the spirit of a recently concluded national seminar attended by the directors of propaganda departments and studied way of propagating and implementing, under the guidance of the spirit of the 14th CPC National Congress and Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, the party's basic line and further doing propaganda work well in our province under the new situation of developing the socialist market economy.

Xie Fei, a member of the CPC Central Committee Political Bureau and Guangdong CPC secretary, attended and made an important speech at the meeting. Huang Hao, a member of the provincial CPC committee standing committee and director of the propaganda department, delivered a report and made the concluding speech at the meeting.

Participating comrades maintained that, at present, our propaganda and ideological work is facing an excellent

situation. We have been more clear about the party's theories, line, guiding principles on administration, tasks, and targets. This has completely solved important problems of cognition which frequently puzzled people and fettered their minds in recent years. To do propaganda work well in the new period, the key lies in having a correct understanding; persisting with economic construction as the center; doing theoretical study, propaganda, and research well; further emancipating our minds; proceeding from reality; serving practice; seeking truth from facts; and attaching importance to practical efficiency. We must do well in dealing with focal and difficult points, and typical cases as well. We must form a new setup for propaganda work.

Participating comrades also agreed that our province faces a favorable situation in reform, opening up, and economic construction. This has put forth new demands on propaganda and ideological work. Comrades working on the propaganda front must inspire others with their enthusiasm, enhance the quality of their contingent, and truly improve their work. Only thus can they make new contributions to building socialism with Chinese characteristics.

Guangdong Cracks Caffeine Trafficking Case

HK2203094193 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1016 GMT 16 Mar 93

[Text] Guangzhou, 16 Mar (ZHONGGUO TONGXUN SHE)—After cracking the extraordinary large "26 January" ice smuggling case, the Jiangmen public security organs cracked another extraordinary large drug smuggling case, confiscating 50 kg of caffeine and arresting five drug traffickers.

On the eve of the Spring Festival, two men named Su and Luan from Jinlin's Jiaohe joined a number of other offenders. Under the pretense of peddling soybeans, they transported caffeine, hidden in the soybeans, from Jilin's Jiaohe to Gongyi town in Taishan, in an attempt to make a profit by selling it at a high price. When the anti-drug personnel of the Jiangmen Public Security Bureau obtained the information on 1 March, they found the location of the drug very soon. On the night of 5 March, the plainclothes public security personnel took resolute action, arrested five offenders including Luan on the spot, and confiscated 50 kg of caffeine. Handling of the case is still under progress.

North Region

Hebei's Cheng Weigao on Propaganda Work

SK2303142993 Shijiazhuang HEBEI RIBAO in Chinese 26 Feb 93 P 1

[Text] This afternoon, Cheng Weigao, secretary of the provincial party committee and provincial governor, gave a speech, entitled: "Strengthen Propaganda and

Ideological Work on the Basis of Building an Economically Strong Province" at the provincial conference of propaganda department directors.

Cheng Weigao said: During recent years, our province has done a good job in propaganda and ideological work, and has created new things with distinct features in some aspects, which we should fully affirm. Our province's propaganda front is of high quality with a fairly good work style. Under the situation in which the work is fairly difficult and the working conditions are fairly poor, they have consciously adapted themselves to the new situation, worked diligently without complaint, worked cautiously and conscientiously, actively made explorations, and strenuously worked. This spirit is good and this contingent is trustworthy.

Cheng Weigao stressed: In developing the socialist market economy and accelerating the pace of economic construction, we should not deviate from propaganda and ideological work. Propaganda and ideological work is of special significance in the progress of building an economically strong province. Developing the socialist market economy is a profound change in the course of emancipating and developing productive forces. To guarantee the smooth progress of this profound change which involves the change of ideologies and concepts of 100 million people and the readjustment of interests in various economic sectors, it is more necessary for us to give play to the party's propaganda and ideological work which is a political advantage. Propaganda and ideological work is of extreme importance in developing the market economy and building an economically strong province. It plays a mobilizing and guiding role and helps in mobilizing and uniting the people across the province through extensive and in-depth propaganda and ideological work. It also guides the people to concentrate their energy on making contributions in economic construction. It plays a theoretical guiding role and helps to urge the people to correctly understand and grasp the objective law on market economic development, emancipate minds, renew concepts, and consciously adapt themselves to the new situation, accept new things, and plunge into the new trend. It plays an ideological guaranteeing role and helps the people to correctly understand and treat the readjustment of interests and to achieve results in improving morale, solving contradictions, coordinating the relations, and mobilizing the enthusiasm of the people. It plays a role in spreading information and exchanging views and serves as a bridge for developing mutual contacts and exchanging views with the outside world and promoting the development of the socialist market economy through spreading all sorts of economic, scientific, and technological information. It plays a supervisory and guaranteeing role and helps to supervise all sorts of economic behavior, overcome the passive phenomenon that may emerge in the market economy, and guarantee the sound development of our province's socialist market economy through the strong media force. In short, in the process of developing the market economy

and building an economically strong province, propaganda and ideological work has played a special role that cannot be replaced by other work.

Cheng Weigao pointed out: In building an economically strong province, propaganda and ideological work has shouldered complicated and heavy tasks. We should be capable of accomplishing something. Developing the market economy and building an economically strong province constitute one of the major points of strengthening and improving our province's propaganda and ideological work. We must stay close to this objective in carrying out propaganda and ideological work, boost our working enthusiasm, do practical work, and produce actual results. It is hoped that all participants will do the following eight tasks well:

1. We should create a strong atmosphere for developing the socialist market economy. Currently, the working enthusiasm in developing the economy is on the rise in the upper and the lower levels across the province, but this is not enough. The economic departments have paid greater attention to grasping economic work. But the results of making other fields consciously submit themselves to and serve the central task of economic construction is not so good as one wishes. Therefore, propaganda and ideological work should shoulder the tasks of developing the market economy and creating public opinion and an atmosphere for building an economically strong province. We should extensively create public opinions that in upholding the party's basic line we must take economic construction as a central task; that all trades and professions should enhance their sense of this central task, serve economic construction, push enterprises to the market, and select the superior and eliminate the inferior in the course of making them compete with each other on an equal basis; and that efforts should be made to boldly carry out major affairs and make big strides in an effort to build an economically strong province and to concentrate the attention of all departments and the people in all fields on economic construction, and to consciously and closely link our work with the objective of building an economically strong province.

2. We should pave a way for the people across the province to further emancipate minds and renew concepts. The degree of emancipating minds determines the rate of economic development. We can say that compared with advanced provinces and cities, actually our economic disparity is the disparity in the degree of emancipating minds. We have treated the natural resources and development conditions with a traditional concept and are "begging for food with a golden bowl." The practice of many localities shows that "as long as they change concepts, they can find gold everywhere." In propaganda and ideological work, we must maintain close ties with the ideological reality of cadres and the masses, give vivid and practical explanations in light of all sorts of old ideologies and concepts, guide the people across the province to further emancipate minds, renew concepts, and provide a spiritual impetus for accelerating in our province economic development.

3. We should mobilize cadres and the masses to consciously participate in the reform practice. One of the important factors to measure the degree of reform, whether large or small, is determined by the people's understanding of reform and their ability to withstand its strain. The responsibility of propaganda and ideological work is to accurately find out the ideological crux of the people in close connection with the reform practice, have a definite object in view while resolving misgivings and eliminating doubts, and boost the enthusiasm of the people in consciously supporting and participating in reform.

4. We should build a bridge and pave a road for Hebei to open itself to the outside world and to march toward the world. It is necessary to pay special attention to opening a situation for overseas propaganda work, publicize Hebei to the outside world, enable the world to understand Hebei and Hebei to attract the world's attention, and create conditions for linking the economy of Hebei with that of the world. We should coordinate the major economic activities and foreign cultural exchange activities and organize an influential overseas propaganda battle in a planned manner. The provincial, prefectural, and city governments should be willing to spend money on supporting overseas propaganda work in the same way enterprises spend their money on advertisement.

5. In economic propaganda, we should give prominence to optimizing the structure and raising efficiency. Currently, a considerable number of our cadres are comparatively keen on relying on input to accelerate the rate. Therefore, in economic propaganda, we must give prominence to publicizing structural readjustment, relying on scientific and technological progress, improving enterprise management, and raising economic efficiency. This is a key point in current and future economic propaganda work. We should grasp this key point while carrying out economic propaganda work and promote our province's economic construction to realistically attain the objective of achieving simultaneous development in rate, efficiency, and reserve strength.

6. We should provide more economic information for the whole society through mass media. One of the most important responsibilities of the propaganda and media departments is to promptly provide all sorts of economic information and all kinds of information on the new trends, new ideas, new viewpoints, new demands, and new science and technology that are compatible with the socialist market economic laws for the society, help the people improve knowledge, broaden the fields of vision and ideas, and promote the development of the commodity economy. The press and media units should fully use their own advantages and conditions and do much work in expanding the volume of economic information and in raising the accuracy of information.

7. We should correctly publicize Hebei and foster a good image of Hebei among the people throughout the country. Hebei has occupied a very important position politically and economically in the whole country.

Because of various reasons, however, Hebei has failed to foster a good image in the country that can match its status as a big province near the capital. We should give prominence to the main refrain of building an economically strong province and foster an image of Hebei where the people are carrying out reform in a down-to-earth manner, grasping opening up dramatically, and working hard to push the economy forward in the minds of the people across the country.

8. We should actively advocate sound and civilized social habits. Currently, along with the increase in the income of some people, some people have practiced an extravagant, decadent, and dispirited lifestyle, and some repulsive social phenomena have begun to pick up. We must not be indifferent to this. We should actively advocate a sound and civilized lifestyle and relentlessly check those unhealthy and uncivilized social habits by conducting powerful propaganda and ideological work.

Cheng Weigao expressed hope that party committees at all levels would adapt themselves to the new situation, adopt new measures, and realistically and specifically strengthen leadership over propaganda and ideological work. He said: Party organizations at all levels should firmly foster the guiding principle of persisting in taking a two-handed approach and be tough with both, strengthen research on the objective law of propaganda and ideological work under the new situation, give simultaneous attention to propaganda and economic work, and learn how to use propaganda work to promote the development of economic construction and all fields of work. The provincial party committee and the provincial government will make up their minds to gradually solve the problem of funds shortages and backward facilities in the propaganda and cultural departments, which are in a very difficult financial situation. The whole province should gradually increase working funds for propaganda and cultural undertakings. Except for personal income regulatory taxes, all sorts of taxes and profits which the propaganda and cultural administrative units and their subordinate economic entities have handed over to the state must be refunded to the propaganda and cultural departments by the financial department. In order to support and help the large-scale propaganda and cultural activities and the production of major intellectual products, the funds refunded by the provincial authorities will be arranged for use by the propaganda department of the provincial party committee in an all-around manner. Party committees and governments at all levels should conscientiously implement the new cultural and economic policies. They should be willing to spend money to support the development of propaganda and cultural undertakings.

Regarding the system reform of propaganda and cultural departments, the propaganda and cultural departments at all levels should actively make explorations in line with the demands of the central authorities and the provincial party committees. In the propaganda on the selection, use, training, and improvement of cadres, we should also study new ideas, break the close state in

which propaganda cadres are circulating only within their own departments, strengthen the exchange of cadres with other departments, particularly economic departments, transfer outstanding cadres of the propaganda departments to the forefront of reform, opening up, and economic construction for training, and replenish the propaganda and cultural work departments with some cadres who are well-versed in economics and know-how to do propaganda work. Through the exchange of cadres, we should rationalize the composition of cadres of the propaganda and ideological work departments and make them play a better role in the course of building an economically strong province.

Hebei Governor Interviewed on Development

SK2203143093 Shijiazhuang HEBEI RIBAO in
Chinese 23 Feb 93 p 1

[By Liu Zhizeng (0491 1807 1073) and Zhou Yingping (0719 3841 1627): "Our Goal Is To Build Hebei Into an Economically Strong Province as Soon as Possible"]

[Text] Provincial Governor Cheng Weigao met with Mr. Lai Jinhong, a reporter with Taiwan's LIEN HE PAO, at the Hebei Guesthouse on the evening of 3 February and vigorously answered his questions.

[Lai Jinhong] Governor Cheng, what kind of province should Hebei be built into?

[Cheng Weigao] Our provincial party committee and government have discussed this question many times. Our goal is to make Hebei economically strong and strong in opening up as soon as possible. By implementing the Eighth and Ninth Five-Year Plans, we will make Hebei's economic development rank higher in the 30 provinces, municipalities, and autonomous regions of the country (the mainland) by the end of this century.

By building Hebei into a province strong in opening up, we mean to gradually build Qinhuangdao, Tangshan, and Cangzhou into the best areas in the province for opening to the outside world and fastest in economic development and to turn them into an important window and an important passageway connecting Hebei, especially its eastern and central-south areas, and its neighboring provinces to the outside world.

By building Hebei into an economically strong province, we intend to make Hebei's basic industries and raw material industry serve not only the province itself but also other provinces and municipalities in the country. We will increase our coal and electricity output and strive to increase our steel output, which stands at some 4 million tons now, to 10 million tons by the end of the Ninth Five-Year Plan period and our cement output, which stands at 14 million tons, to more than 20 million tons. In addition, through the construction projects listed in the Eighth and Ninth Five-Year Plans, Hebei will probably become one of the provinces with the largest number of railways, highways, ports, and airports. We will also strive to rank Hebei higher in the

development of high and new technology and in the development of industries aimed at earning foreign exchange.

[Lai] From Deng Xiaoping's south China inspection, during which he gave speeches, to the 14th party congress, at which the decision was made to establish the market economy, did Hebei formulate new measures because of this reform wave to promote its reform and opening up?

[Cheng] Yes, we did. Comrade Deng Xiaoping's important speeches given during his south China inspection have helped promote Hebei's economic development greatly, in particular, people's ideas and concepts. The theories that "socialism also contains the market" and that "capitalism also contains planning" have helped the people further emancipate their minds. Planning in the planned economy has been reduced step by step over the past few years, and price controls, which were rather tight before 1991, have also been lifted gradually. Price controls were lifted on an even larger scale last year. All the Hebei township enterprises are developing the market economy now. Except for the prices of some iron and steel, cement, coal, and a small number of important products, which are managed under plans, the prices of all our products, such as light industrial and textile goods, are subject to market regulation. Focusing on the market economy system, we will first develop the export-oriented economy and the economic and technological cooperation with foreign countries. This is an important aspect of the market economy. Second, we will invigorate large and medium-sized enterprises. Hebei now has more than 600 large and medium-sized enterprises, and we are gradually promoting the reform of the shareholding system among them. We selected more than 100 pilot enterprises to experiment with the reform last year, and we plan to select another 200 to 300 enterprises to experiment with it by the end of this year. Third, we will greatly develop township enterprises. Fourth, we will do a good job in market construction. Last year, we built the largest number of markets and built them in the fastest way. We invested about 1 billion yuan in building various specialized markets, such as the markets for farm products and the markets for the means of production.

[Lai] Does Hebei have a special development trend in the tertiary industry?

[Cheng] The tertiary industry is still a weak link in Hebei Province. We have emphasized the following work. First, we should facilitate the development of transportation and telecommunication. Second, we should greatly develop the markets for funds, labor service, trained personnel, information, and technology. Third, we should actively promote commerce and the service trade, build a number of large shopping centers in major cities, and build a number of national and regional specialized markets, wholesale markets, and futures markets in some cities and prefectures. However, we should make it clear that the development of the tertiary

industry, which is never isolated, depends on the development of the primary and secondary industries. Meanwhile, we should also promote the primary and secondary industries through the development of the tertiary industry.

[Lai] Can Hebei cooperate with foreign and Taiwan business firms to establish joint venture banks?

[Cheng] This should be approved by the central authorities, but we also hope to develop them. Hebei's funds are very strained. The state has assigned the province many large projects; more than 130 of the 150 large projects submitted by the province during the Eighth Five-Year Plan period have been approved by the state, and some will also be approved in the future. As a result, Hebei will have more than 200 key projects to build, which requires large amounts of investment. In addition, large amounts of money are also needed if Hebei's township enterprises develop at a rate of more than 30 percent every year. Large amounts of support funds from the Chinese side are needed even more if we are to build a large number of joint ventures and cooperative enterprises every year. Therefore, we will regard development of the monetary markets and deepening of the monetary reform as a work focus. We will both guarantee the state's macro regulation and control and work out methods to raise funds from various channels.

[Lai] We know that Hebei is an old industrial base with many large and medium-sized enterprises. How can it invigorate these large and medium-sized enterprises very quickly in the process of reform and opening up and change the poor image of state-run enterprises?

[Cheng] Large and medium-sized enterprises are the backbone of the national economy, which have made important contributions to the state. Large and medium-sized enterprises still lack vigor. However, this is the result of our old economic system, and we should never put the blame on large and medium-sized enterprises.

[Lai] Do you mean the pure planned economy system?

[Cheng] Exactly. The key is to resolve the methods to realize the ownership by the whole people. We have adopted three major methods. First, we have instituted the system of overall contracting for input and output in some important enterprises. This method, originating with the Shoudu Iron and Steel Complex, is very useful. We have made enterprises pay all the taxes they should pay and ordered local authorities to refund to enterprises the amount that should be refunded according to the contracts. This not only conforms to state stipulations but has also boosted the enthusiasm of enterprises. All the large and medium-sized enterprises that adopted this system last year have regained their vigor.

Second, we have accelerated the transformation of large and medium-sized enterprises by using the shareholding system. Last year we transformed some enterprises and achieved very good results. In the second half of last year, we gave training to a number of enterprises,

teaching them the knowledge, rules and regulations, and policy methods concerning the shareholding system. This year, we will select another group of enterprises to implement the shareholding system. If we persist in doing so, large and medium-sized enterprises will be invigorated more quickly.

Third, a large number of state-owned enterprises should adopt the contract system. The contracts should be strict. This means that the vital interests of enterprise managers and laborers should be linked more closely to the profits and losses of enterprises. Enterprises should be responsible for their losses as well as profits. Never should they retain profits only and let the state take care of the deficits. The content and measures of contracts will be improved in the next round.

We should also emphasize that new concepts depend on new knowledge. Without new knowledge, it is impossible to have new concepts. Accustomed to the planned economy, most of our cadres are not familiar with the meaning and targets of the market economy and the major tasks for establishing the market economy. Without knowing what the market economy is, how can we embrace the ideas on the market economy? As a matter of fact, some cadres think of developing farm product markets and commodity markets when the market economy is mentioned, holding that building more markets means developing the market economy. We need to build the market when developing the market economy, but building more markets alone is not equal to the market economy. Therefore, we should educate cadres on the knowledge about the market economy so that they will improve their quality in the practice of reform and opening up.

[Lai] Taiwan investment is gradually extending to north and west China. Judging from both long-term and short-long viewpoints, what conditions in Hebei will most attract Taiwan investment?

[Cheng] Hebei has many fields, industries, and projects where joint ventures and cooperation can be developed, and its prices for land and labor forces are cheap. Judging from Hebei's current situation, the priority is still not real estate development. Economic development and real estate development supplement each other. We wish to cooperate with foreign firms more in industry, in basic industries and infrastructure, and in industrial technical transformation. Hebei has many iron and steel enterprises and also its chemical, petroleum, building materials, medical, machinery, electronic, textile, and light industries all need renovation and development. If infrastructural construction is strengthened and large numbers of enterprises are renovated, Hebei has a very good chance to be built into an economically strong province.

Hebei has another advantage: its location near Beijing and Tianjin. Some localities were very passive in asking for assistance from the central authorities and even declined it when offered. Now their concepts have

changed. Many people take advantage of public relations to look for information, projects, funds, technology, and trained personnel from Beijing and Tianjin, and Beijing's Hebei Hotel and Hebei's offices located in Beijing are full every day. Therefore, Hebei has many favorable conditions, including its location near Beijing and Tianjin, its Bohai Bay, convenient transportation conditions, and abundant resources, to accelerate its economic development.

Inner Mongolia Builds Economic Base

OW1903101293 Beijing XINHUA in English 0811
GMT 19 Mar 93

[Text] Hohhot, March 19 (XINHUA)—North China's Inner Mongolia Autonomous Region has been working hard on industrial development in a large area that covers Hohhot, Baotou and Dongsheng cities in the region.

The 20,000 sq [square] km area is a golden piece of land in the region which is rich in natural resources but economically underdeveloped.

The regional government has decided to turn the area into bases of coal, electric power, oil, metallurgy, chemicals, electronics, machinery and building materials industries.

With an estimated coal deposit of 120 billion tons, the area is building two large coal mines. So far work has begun on the first phase of the Dongsheng coal mine, which now has a capacity of producing 10 million tons of fine coal a year.

Construction has also started on supplementary projects such as water and electrical power supply, road building, and telecommunications.

The region has put into production the Hohhot Oil Refinery, which is capable of processing a million tons of crude oil, and is building a chemical fertilizer plant designed to produce 520,000 tons of carbamide a year.

The Baotou Iron, Steel, and Rare Earth Complex, which is one of the country's 10 major iron and steel firms and is undergoing technological renewal, is expected to turn out 13,000 tons of rare earth and three million tons of iron and steel, respectively.

Construction has also started on a group of various metal mines and metallurgical plants.

With these combined efforts, the region will achieve a more complete industrial base, ending the history of an animal husbandry-dominated economy.

Tianjin, Hong Kong Sign Development Contract

SK2203044693 Tianjin People's Radio in Mandarin
2300 GMT 20 Mar 93

[Text] The Free Trade Zone under Tianjin Port Administrative Committee held a contract signing ceremony

with the New World Development Company Limited of Hong Kong at Lishunde Hotel on 20 March on jointly developing the Free Trade Zone at Tianjin Port by expanding 2 square km of land in the Free Trade Zone. The signing of this contract indicates that the land development work of the Free Trade Zone has entered a new course in its development. This kind of joint development of a vast tract of land is the first of its kind in a free trade zone of the country.

The New World Group is a well-known, large company of Hong Kong. As early as July last year, the Free Trade Zone at Tianjin Port signed a letter of intent on joint development of a vast tract of land with this group. The development area is located north of the No. 5 highway at the Tianjin Port area, south of the extended section of the expressway, east of the (Yangang) Road, and west of the (Tongda) road in the Free Trade Zone. Inside it are the banking and trade area, the warehouse and processing area, and the comprehensive commercial area. Prior to this, the New World Group bought 10,000 square meters of usable land in the trade area located in the place under first development in the Free Trade Zone and planned to build a building with a floor space of 138.6 square meters for inviting business. In addition, it has also planned to build a villa area in the Tanggu Xingang area.

Tianjin Holds Conference on Taiwan Related Work

SK2203042293 Tianjin People's Radio in Mandarin
2300 GMT 20 Mar 93

[Text] The Tianjin Municipal conference on work towards Taiwan was held at Tianjin Hotel on the morning of 20 March. Wang Xudong, Li Shenglin, Ye Disheng, and other leading comrades attended the conference.

During the past year, Tianjin vigorously developed economic and trade cooperation with Taiwan. More than 400 Taiwan-funded enterprises were established in industry, real estate, and food production. The exchanges of visits between the people of our municipality and Taiwan have also continued to increase in number. Last year, more than 12,000 Taiwan compatriots came to our municipality to visit relatives and friends and to observe culture and art, and for exchanges in science and technology. These contacts have strengthened mutual understanding between the compatriots of both Tianjin and Taiwan and publicized the party's principles and policies towards Taiwan.

The conference called for efforts to carry out this year's work towards Taiwan in close connection with the central task of economic construction; extensively absorb and use Taiwan capital through various channels; develop economic and trade relations between Tianjin and Taiwan, unceasingly expand bilateral exchanges in culture, art, sports, science, technology, and education

fields; seize the opportunity to promote the municipality's work towards Taiwan; and make greater contributions to the great cause of reunifying the motherland.

Foreign-Invested Enterprises Increase in Tianjin

SK2203100093 *Tianjin People's Radio in Mandarin*
2300 GMT 21 Mar 93

[Summary] By 20 March, the bonded zone of Tianjin Harbor approved the establishment of 1,066 enterprises, with the total investment reaching \$970 million. Foreign firms from 38 countries and regions have invested 73 percent in these enterprises.

Northeast Region

Heilongjiang's Sun Weiben Views Propaganda Work

SK2103023293 *Harbin HEILONGJIANG RIBAO in Chinese* 14 Feb 93 pp 1, 3

[Speech by Sun Weiben, secretary of the provincial party committee, at the provincial meeting of propaganda department directors and the provincial forum on international propaganda work on 13 February entitled: "Paying High Attention to the Propaganda and Ideological Work Under the Historical Condition of Shifting to the Market Economy"]

[Text] The current provincial meeting of propaganda department directors and the forum on international propaganda work are devoted primarily to discussing how to strengthen and improve the propaganda and ideological work under the guidance of the spirit of the central meeting of propaganda department directors and the forum of international propaganda work during the period of changing the system with a view to providing strong spiritual motivation, intellectual support, and ideological guarantees for pushing the provincial economy onto a new stage. On these issues, Comrades Zhou Ronghua and Shan Rongfan will make a general exposition and arrangements. I want to dwell on some opinions about the position, role, and new demands for the propaganda and ideological work under the historical condition of shifting to the market economy and about how to strengthen leadership over the propaganda and ideological front under the new situation.

1. We Should Fully Understand the Special Significance of the Propaganda and Ideological Work Under the New Situation.

Comrade Deng Xiaoping's speeches made during his south China tour and the convocation of the 14th CPC National Congress indicate that China's reform, opening up, and modernization have embarked on a new stage of development. Viewing the nationwide situation, the atmosphere of emancipating the mind has been increasingly strong, the upsurge in opening to the outside world is now in the ascendant, economic construction is embarking on a new stage of rapid and sound growth,

and the reforms in various fields, with the goal of establishing the socialist market economy, are being accelerated. The situation in our province is the same. The 10th plenary session of the sixth provincial party committee, that was convened not long ago, defined the 12 major issues to be grasped this year under the guidance of the spirit of the 14th CPC National Congress. The focus of these 12 major issues is to seize the current favorable opportunity to accelerate the pace of shifting to the market economic system in order to make the province's economy embark on the road of rapid development. Under such a situation, many new problems with regard to ideology, understanding, and theory should be solved through the propaganda and ideological work; many new contradictions should be tackled through the efforts of the propaganda and ideological departments; many new tasks need the explorations by the propaganda and ideological departments; many new experiences need to be obtained by the propaganda and ideological departments; and many new spiritual cultural demands should be satisfied through the propaganda and ideological work. Therefore, now is an excellent opportunity for the propaganda and ideological departments to display their ability, and it is of special significance to achieve success in propaganda and ideological work.

First, the new times call on us to seek unity of ideas with new theories. Using Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to arm the whole party is the essential demand and urgent task of the development of the objective practice. That the 14th CPC National Congress defined this theory as the guiding ideology of the whole party during the new period is of extraordinarily great significance under the current general domestic and international background. It is the Marxism of China at the present age to build the theory of socialism with Chinese characteristics and to use new ideas and new viewpoints to inherit and develop Marxism-Mao Zedong Thought. Practice has already proven and will continue to prove that only this theory can solve the problems with regard to the future and destiny of China at the present age. At present and in the foreseeable future, using this theory to arm the whole party is not only a fundamental task for party building but also an urgent task for accelerating reform, opening up, and modernization. Whether or not we can turn this theory into the common understanding of the whole party, into the conscious action of all the people, and into the soul and spiritual pillar of the whole party and all the nationalities will decide the success or failure in adhering to the basic line of the party for 100 years and decide the future and destiny of the state and the nationalities. The most essential reason why we consider the propaganda and ideological work special and important under the new situation is that it shoulders the historical mission of using Comrade Deng Xiaoping's theory to seek unity of thinking and to arm the whole party.

Second, we must provide powerful ideological guarantees and intellectual support for the grand reform target

and the new reform practice. The transition from the planned economy to the market economy is the fundamental change in the economic system. This change affects the whole situation. This affects not only the economic, political, and cultural activities but also the people's outlook on value, way of life, and way of thinking. To ensure the smooth and sound progress of the system reform, we should pay attention to the work in the following few aspects. First, we should positively promote the change of the people's ideas. The change of ideas is the prerequisite of the system reform. The propaganda and ideological work must be ahead of reform. We should emancipate the mind to promote reform and provide an accurate theoretical and mass media orientation to guide reform. Second, to make the transition from the planned economy to the market economy, we must urgently strengthen the propaganda and education on an accurate outlook on life and the outlook on value. Under the new situation of developing the market economy, there is an unprecedentedly sharp collision between the new and old ideas of the people. Accurate and wrong, positive and negative, and lofty and decayed ideas coexist. Many people feel puzzled and hesitate in selecting their outlook on value. Under such a situation, we must conduct propaganda and ideological education among the people, particularly the young people, and ensure that they must never put their personal interests and the personal value high above everything. If a nationality and the people of a country only pay attention to the personnel interests and the personal struggle to the neglect of the national interests and the social contributions, they will not be able to stand among the nationalities in the world. Second, in the period that the old system is being replaced by the new, we should provide an ideological guarantee for invigorating the circulation of blood to dissolve the extravasated blood, balancing the feeling of the people and stabilizing the society. If we conduct reform according to the goal of market economic system, we will certainly be involved in the readjustment of the interests of various sectors and initiate various degrees of social vibration. For instance, problems emerge, such as centralized management and decentralized management in the rural areas; purchasing and marketing difficulties; enterprises' amalgamation, bankruptcy, and optimum reorganization; streamlining of staff and the transfer of personnel; and the readjustment of distribution system. If we fail to give good guidance or to solve the problems in these aspects, it will be possible for us to get into trouble. In the course of deepening reform, the propaganda and ideological workers are confronted with such new tasks as they should conduct positive education on enhancing the morale of the people, dissolving contradictions, uniting with the people, and reducing social vibrations; they should guide, protect, and bring into play the enthusiasm of the people; and they should create social mass media and social psychological environment for making the transition from the planned economy to the market economy. Meanwhile, new practical tasks need new explorations and new theoretical support. Defining the goal of the economic system reform is setting up the

socialist market economic system. This is a new significant and breakthrough contribution made by the 14th CPC National Congress. Although the goal and the form of reform have been drawn, some of our comrades still maintain that the law and mechanism governing the operation of the market economy are still the realm of necessity. We may say that they have a set of fairly mature standards for developing the market economy on the basis of private ownership as well as the experiences in management of the market economy but we do not have successful experiences to draw upon in the aspect of developing the market economy on the basis of public ownership. This is a completely brand new practical task. Some previous economic means and operational mechanisms that were suitable to the planned economy are outdated, and so are some economic ideas and categories that were suitable to the planned economy. Along with the development of the practice of suiting the establishment of a market economy, we must urgently explore new tasks, make new theoretical summaries, and use new languages to explain new practice and answer new questions. We may say that there are increasingly more, profound, and difficult problems that must be studied and explored by the propaganda and ideological workers. From now on, the propaganda and ideological workers are taking on an extremely arduous and heavy task for providing the economic construction, reform, and opening up with theoretical basis and intellectual support.

Third, to saturate the new spiritual and cultural demands, we should create new spiritual products. Under the conditions of conducting reform and opening up and of developing the socialist market economy, the spiritual demands of people will certainly incur new changes, and the trend of culture and arts will all the more press close to the masses and to the people's livelihood. The cultural markets of books and periodicals, of performance, and of recreation in real life, which did not exist or were not well developed in the past, have successively emerged and achieved rapid development. The tones and aspects of cultural and artistic works as well as levels at which cultural and artistic works have achieved development have been unprecedentedly multiple. Under the condition of socialism, cultural products certainly cannot be totally commercialized or totally put into markets. However, along with the development of the market economy, the production and sale of cultural products and the prosperity of culture and arts cannot be divorced from the drive of market mechanism but also must rely on or draw support from market factors. The people's level of admiration is different because their cultural accomplishment is different. The demand and consumption of cultural products are also different, and only markets can relay such information rapidly or quickly. Therefore, departments in charge of the propaganda and ideological work must clearly discern the new change and master the utilization of the market mechanism to promote the prosperity and development in culture and arts. Culture and art are playing a role in

multiple fields, such as recreation, aesthetics, understanding, and education. Therefore, on the premise of upholding the orientation of "serving the people and socialism," we should bring into full play the multiple functions and roles of culture and arts. We should carry out various, healthy, beneficial, and lively, cultural, and artistic activities welcomed by the masses by extensively applying the mass media and various cultural places that are achieving increasing development. We should also actively promote the literary and art creation to achieve multiple development from content to style. Meanwhile, we should try to vigorously advocate or support the creation of outstanding works that are enthusiastically eulogizing reform, opening up, and modernization as well as demonstrating the spirit of the age. We should try to create more and better spiritual products to steadily saturate the people's increasingly spiritual and cultural demands. Of course, saturating the people's multiple spiritual and cultural demands does not mean to suit the need in a negative way and it also includes the issue of orienting the spiritual and cultural creation to a higher level. All in all, only by fully discerning the especial significance of the propaganda and ideological work done under the new situation and by doing a good job in dealing with these problems can we provide a spiritually motivational force, intellectual support, and a ideological guarantee for reform, opening up, and modernization; can we create fine social public opinion and a fine social psychological environment for them; and can we accurately establish the systems of the socialist market economy to improve the economic and social development to a new level. Therefore, the propaganda and ideological work is a big event that has a bearing on the whole situation. We must grasp it by regarding it as a great constructive undertaking.

2. We Should Enhance and Improve the Propaganda and Ideological Work by Regarding the Theory of Building Socialism With Chinese Characteristics as a Guide.

The key to whether we can fulfill the important mission imposed on us by history is whether we can accurately discern our work direction by regarding Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, expand the realms of our work, enrich our work content, shift our work mechanism, improve our work style, and upgrade our work quality and efficiency.

First, in propaganda and ideological work, we must accurately discern our own work position during the new period and clearly define the subject and orientation of work. Because the party's central task has been shifted, propaganda and ideological work must also shift its tasks. Submitting to and serving the central task of economic construction during the new historical period is a fundamental guiding principle which we must uphold while carrying out propaganda and political work. The propaganda and ideological work departments must firmly grasp this central task, apply all sorts of propaganda means, adopt various propaganda methods, create a more enthusiastic atmosphere of

wholeheartedly carrying out economic construction, and focus the attention and energy of the whole party and all the people on carrying out socialist modernization construction. Over the past few years, our province's propaganda and ideological work departments took the initiative in working for and serving economic construction, maintained closer ties with economic work, and created many very good experiences and methods: 1) They cleared the way, created public opinion, and formed the offensive for carrying out the major measures and plans on reform, opening up, and economic construction proposed by the provincial party committee and the provincial government; 2) they mobilized and encouraged the broad masses of cadres, boosted their enthusiasm in participating in reform, and aroused their pioneering and daring spirit; 3) they served as a bridge, created many service carriers such as taking advantage of cultural and academic occasions to carry out economic and trade activities and taking advantage of festivals to invite business and investment; and 4) they invigorated the circulation of blood and eliminated extravasated blood; they did a good job in solving contradictions, improving morale, and reassuring the people in the course of implementing the new reform measures. These good experiences and methods must be continuously upheld and unceasingly developed in future practice. However, in the course of conducting propaganda and political work to serve economic construction, problems of failure in having a correct ideology and making leaders assume personal responsibility for doing work in places where needed have still existed in varying degrees at present. The prominent manifestations are: The service ideas are not enough, the service channels are not clear, the service sphere is not wide enough, and the service strength is not strong enough. Comrade Xiaoping said that we should persevere in the party's basic line for a long time to come and shall not waver in this respect for 100 years. The key to achieving this is to persist in taking economic construction as a central task and not to waver in it for 100 years. In propaganda and ideological work, we must enhance our awareness in implementing the party's basic line, strengthen our ideology on serving economic construction, consciously submit ourselves to and serve economic construction, and promote the development of economic construction. Only by accurately finding out our work position and grasping the subject of work can we give play to the special role of propaganda and ideological work and manifest its value in the long process of economic construction, reform and opening up.

Second, in propaganda and ideological work, we should broaden our fields of vision and develop our work sphere. In the past, we simply regarded propaganda and ideological work departments as the functional departments of the party committees responsible for ideological work and gave particular emphasis to their political functions. Judging from the present situation, only stressing this point is far from enough during the time when economic construction has become the central task of the whole party. During the new historical period,

propaganda and ideological work must meet the needs of economic construction, reform and opening up; actively strengthen its functions in serving economic construction; and broaden its work sphere in line with the demand of the party's basic line on "one central task and two basic points." As long as our propaganda and ideological work helps emancipate and develop the productive forces, deepen and develop reform and opening up, and push economic development to a new stage, we will not exceed what is proper and go too far no matter how we grasp this work and what we have grasped. We should not fear that people will say we have stretched our hands too far.

The propaganda and ideological work should directly enter the main battlefield of economic construction, join the chorus of the market economy, and enter all spheres in society. This work should march from the small cycle of itself to the large cycle of society and should turn from "small-scale propaganda" into "large-scale propaganda." Propaganda at home and abroad should be stressed simultaneously. The propaganda and ideological departments should adapt themselves to the demands of upgrading the province's strategy on opening to the outside world and developing the export-oriented economy. In particular, they should unfailingly grasp the overseas propaganda, extensively propagate and introduce to the outside world our province's advantages in natural resources, geology, science and technology, and products, and our province's policy environment, investment environment, tourist resources, and human characteristics in order to make the province more popular in the world.

Third, we should establish an operational mechanism of the propaganda and ideological work that is in agreement with the market economic system. The development of the market economy has brought about a new change in the style of social production. The propaganda and ideological work should adapt itself to this change. In the past, the operational mechanism of the propaganda and ideological work was basically geared to the planned economic system, and the propaganda and ideological departments mainly depended on the forms of documents, meetings, and mass campaigns to conduct their work. These forms have played a positive role in history, and thus cannot be abandoned completely at present. However, under the condition of the market economy, the propaganda and ideological work should, in the form of leadership, change from primarily giving instructions to combining guidance with service. In the form of work, the propaganda and ideological departments should change from primarily giving direct service to combining indirect service with direct service. In the form of propaganda, they should change from simply depending on reports, giving guidance, and issuing materials to attraction, encouragement and persuasion and striving to integrate and involve themselves in service. In the form of propaganda, they should continuously march toward modernization, socialization, and serving as the mass media.

Fourth, the propaganda and ideological departments should exert great efforts in improving quality and efficiency. Economic work stresses input-output, cost accounting, and winning victory with quality, but the propaganda and ideological departments should also have a sense of efficiency and a sense of quality. To judge whether the propaganda and ideological work is a success or not, whether the quality of the work is high or not, whether the efficiency of the work is good or not depends mainly on whether it helps provide strong spiritual motivation and intellectual support for economic construction, reform, and opening up; whether it helps satisfy the people's constantly increasing demands for spiritual culture; and whether it helps train the new socialist persons with lofty ideals, moral integrity, cultural accomplishment, and a sense of discipline. Finally, we should see how many problems have been solved through propaganda and ideological work. Helping liberate and develop productive forces means the best quality and efficiency. The propaganda and ideological departments should pay attention to improving quality, rather than engaging in the propaganda work alone, still less seeking an undeserved reputation and indulging in formalism. We should regard quality and efficiency as the life of the propaganda and ideological work, and should foster the sense that without quality, there would be no position, and without efficiency, there would be no value of existence.

3. Party Committees at All Levels Must Strengthen the Leadership Over Propaganda and Ideological Work.

The policy of firmly grasping both economic construction and ideological and political work has been decided by the essence of building socialism with Chinese characteristics and is the objective demand of the implementation of the party's basic line. Socialist society is a society demanding all-around development, and various undertakings of socialist modernization are the undertakings demanding the coordination and progress in all fields. The 14th CPC National Congress demanded that we raise the building of spiritual civilization to a new level in the course of rapidly pushing economic development onto a new stage. Pushing economic development onto a new stage and raising the building of spiritual civilization to a new level help each other. Only when we elevate the spiritual civilization to a new level will we be able to better promote and ensure the elevation of the economic construction to a new stage. The party committees at various levels should approach it from the high plane of building socialism with Chinese characteristics, pay high attention to the propaganda and ideological work, and realistically strengthen leadership over the propaganda and ideological work. Those who pay no attention to the propaganda and ideological work are neither sober-minded Marxists nor qualified leaders. It is certain that those who are competent in their jobs should firmly hold the propaganda and ideological front in their hands.

Principal responsible comrades of the party committees at various levels should put the propaganda and ideological work on the main work agenda; regularly make

discussions; set forth requirements; define tasks; regularly study the major issues on this front with the comrades of the propaganda departments; analyze the current economic, political, and social situation; and grasp the mass media trend. Regarding the 1993 propaganda and ideological work, the propaganda department of the provincial party committee said we should grasp five major tasks. I completely agree with the provincial party committee. However, we must prominently attend to the following few tasks in doing our work. First, we should concentrate energy on arming the whole party and unifying the thinking of the party with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. This task must be put in the first place. Second, we should strengthen the propaganda on the economic work and expand the degree of propaganda on reform and opening up in line with the target of elevating the economy to a new level. Third, we should mobilize all propaganda means to prominently disseminate and upgrade Heilongjiang's prestige at home and abroad. Fourth, in line with the major measures as set forth by the provincial party committee and the provincial government, we should conduct propaganda among the masses, mobilize the people, and form an atmosphere to promote the implementation of the measures.

The party committees and governments at various levels should positively create necessary conditions and provide necessary material guarantees for the propaganda and ideological work. It is inevitable that we will spend some money in order to successfully conduct the propaganda work. If we fail to promote the establishment of hardware, there will be no carriers for software operations; thus the advance of propaganda and ideological work toward the orientation of modernization, socialization, and mass media will become only empty talk. Along with the increase in revenues, all localities should relevantly increase spending in propaganda and cultural undertakings and provide necessary financial support to the development of these undertakings. In line with the relevant guidelines of the central authorities and the issue of implementing cultural and economic policies, the propaganda department of the provincial party committee should organize relevant departments to establish an investigation and study group. On the basis of investigations and study and in line with the provincial actual conditions, the investigation and study group should try every possible means to work out a proposal for implementation.

The party committees and governments at various levels should continue to trust, show concern for, and protect the political activities, ideological work, and livelihood of the propaganda and ideological cadres contingent. Generally speaking, the comrades on the propaganda and ideological front have dedication, the sense of responsibility, and the thought of contributing. They have done much work and have made great achievements in promoting the province's reform, opening up, and two civilizations. This contingent has been devoted to its duty and has been working hard. It can be trusted. However, we cannot but see that the propaganda and ideological cadre contingent is confronted with a major

challenge. The party committees at various levels should further show concern for and protect this contingent and do a good job in stabilizing the contingent and in mobilizing its enthusiasm. As a key functional department of the party committee and a key component part of the whole society, the propaganda and ideological work department should have a group of personnel and keep a number of key forces to do this work. The party committees and governments at various levels should be good at using this contingent, realistically solve its working and living problems, cultivate the propaganda cadres at various levels, and support them in bringing their talents into better play, to use their new enthusiasm, and to make new contributions.

Heilongjiang Police Arrest Three Criminals

SK2403091893 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 23 Mar 93

[Text] An extraordinarily serious case of criminals using guns to rob and kill people took place on 15 March 1993. It was cracked on the evening of 23 March. Three criminals were arrested.

Six vicious cases of criminals using guns to rob and later kill people took place in Changchun and Harbin cities from 4 December 1990 to 15 March 1993. Through on-the-spot investigations, the security cadres and policemen determined that these cases were committed by the same criminal gang.

After the incident took place on 15 March, the security cadres and policemen in Harbin made arduous efforts, adopted advanced investigation and case-cracking skills, and determined that the criminals were (Wang Xiuhai), an (economic) policeman at Harbin bearing plant, and (Luo Shoukai), a worker at the Harbin bearing plant. These two criminals were arrested at 2040 on 23 March. A 64 caliber pistol, a 54 caliber pistol, 190 bullets, and three daggers were confiscated. After the first trial, another criminal was arrested at 1140 the same evening.

So far, the case is under further investigation.

Heilongjiang Begins Qitaihe Thermal Power Plant

SK2203042193 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 21 Mar 93

[Text] Construction of the first-phase of a key state project in the Eighth Five-Year Plan period will begin in the second quarter of 1993. With an annual power generating capacity of 2,400,000 kilowatts, Qitaihe thermal power plant is the largest coal-pit-mouth thermal power plant in the province. The installed capacity of the first-phase project totals 1,200,000 kilowatts. The Asian Development Bank granted \$200 million in loans to support the construction of this project. Infrastructural facilities, such as railway line and road construction and renovation, supplying power and water, and installing communications lines, will be completed by the end of this year.

The construction of this power plant will be important to alleviating the strain on railway transportation, satisfying the power supply of northeast China's power grid, meeting the province's increasing power demands, and realizing the on-the-spot transformation of coal.

Official Addresses Liaoning Cotton Work Meeting

SK2103065993 Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 20 Mar 93

[Text] At the Liaoning provincial cotton work conference held on 20 March, Vice Governor Xiao Zuofu stressed: It is imperative to expand the scale of our province's cotton production. Last year, affected by insect pests, low temperatures, the market, and the fluctuation in cotton policies, our province had a nearly 50 percent decrease in cotton production, which resulted in a serious shortage of supplies for cotton textile enterprises.

Xiao Zuofu called on leaders at all levels and agricultural departments to publicize policies, organize the masses to try every possible way to expand the cotton production scale, and give play to the advantages and role of the major cotton-producing areas based on the principle of suiting measures to local conditions, planting cotton in places suitable for cotton cultivation, making rational distribution, and stressing a proper degree of concentration. Cotton farming areas in major cotton producing counties should not be less than 50,000 mu in size. It is necessary to increase input, actively implement the strategy of developing cotton through science and technology, forecast cotton disease and insect pests better, strengthen prevention and control work, and make this year's cotton work a success.

Liaoning Controls Illegal Sales of Natural Gas

SK2003045993 Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 18 Mar 93

[Text] According to the dispatch of our station reporter, (Qi Tianyu), from the provincial leading group in charge of consolidating the supplies of natural gas, our province has enhanced the management and consolidation over natural gas supply orders for places outside the province and over the phenomenon of illegally and arbitrarily delivering natural gas since the beginning of 1992 and has basically brought the order and phenomenon under control. Over the past three years, the annual average decrease of natural gas supplies for outside places has reached more than 60 million cubic meters. During the overall consolidation over the natural gas supplies around the Liaohe oil field to ensure the saturation of demands raised by production and livelihood, some localities and units were discovered to be stealing or arbitrarily using the natural gas supply by paying no attention to the party's discipline and law. In order to ensure the smooth supply of natural gas for outside places, a leading group in charge of consolidating the natural gas supply was established in 1992, which was composed of the provincial

propaganda commission, the provincial planning commission, and the provincial petrochemical industrial enterprises group. Over the past years, the province has discovered more than 3,000 cases of illegal gas delivery and the per-day recovered volume of natural gas has reached 200,000 cubic meters. The provincial people's government stated in 1992 that cases of stealing or arbitrarily using the supply of natural gas in the future will be strictly handled. Efforts should be made to ascertain where the responsibility lies in the cases of stealing gas from the pipe lines in order to obtain more profits. As for collective criminal activities, we will learn the ones responsible for the cases and call them to account administratively.

Liaoning Province Increases Real Estate Business

SK2303085493 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 22 Mar 93

[Text] The province's real estate business has gradually entered the circulation channel thanks to the guidance given the provincial people's government. The province has, to date, fostered or developed 68 real estate business centers. Thus, the province has basically set up the real estate comprehensive system of intermediate services, such as providing a guide for customers to examine houses, presenting housing information, appraising houses, handling the affairs of insurance and loans, and acting on behalf of both seller and buyer. The province has, to date, had more than 600 registered enterprises that have been engaged in housing development. In order to accelerate the process of commercializing the housing business, governments at all levels throughout the province are relaxing the restrictions on establishing second-and third-grade housing markets while enhancing the readjustment of first-grade housing markets. All of these have promoted the land transfer, lease, utilization, and development in the province as a whole. In 1992, the province established more than 300 real estate development enterprises that raised more than 800 million yuan for housing construction and introduced almost 20 billion yuan of investment made by foreign businessmen in housing projects. Over the past year, the business volume of housing markets throughout the province has reached 4 billion yuan.

Liaoning Port Offers Car-Ferry Delivery Service

SK2003001193 Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 18 Mar 93

[Text] On the morning of 18 March, 400 Audi and Jiefang [Liberation] automobiles turned out by the Changchun No. 1 Motor Vehicle Plant were all loaded in the Shanghai-bound ship at the new car-ferry dock of the Bayuquan Harbor of Yingkou city. The beginning of car-ferry shipping service indicates that our country has formally set up the joint car-ferry shipping system of marketable automobiles.

Taiwan's UN Seat Effort Called 'Blind Alley'*HK2303122093 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0959 GMT 18 Mar 93*

[Commentary by Chu Ke (2806 1356): "Taiwan is Still Trying in Vain to Find Its Way Into the United Nations"]

[Text] Hong Kong, 18 March (ZHONGGUO TONGXUN SHE)—In recent months, following personnel changes in the higher echelons of leadership, a remarkable turnaround in the Taiwan authorities' attitude toward the relations between the two sides of the strait and its foreign policy has been brewing. What is disturbing is that the turnaround is heading toward a blind alley.

In his recent statement, Taiwan's "Foreign Affairs Minister" Chien Fu said that a "transdepartmental group" had been set up in the Foreign Affairs Ministry to seek support from all countries in the world, and that he expected to make a proposal to the UN in two or three years' time to join the UN.

Moreover, perhaps by "coincidence" or "cooperation," Tsai Tung-jung, "a member of the Legislative Yuan not representing any particular district" from Taiwan's Democratic Progressive Party, is actively drafting a "referendum bill," with a view to tabling the bill in the Legislative Yuan so that there will be a legal basis for Taiwan to hold "referendums." When the times comes, an island-wide referendum will be held to decide by vote the "proposal on whether Taiwan joins the UN."

Tsai Tung-jung said that he had discussed the issue with the person in charge of the "Party and Government Coordination Work Meeting" and planned that once the Legislative Yuan adopted the "referendum bill," Taiwan would hold a referendum in accordance with the bill on 5 May 1995 and submit an application for UN membership on 21 September of the same year before the UN Assembly was held.

However, with these series of smug calculations, two basic issues are neglected: One is the basic definition of referendum [preceding word in English] and the other issue is the status of referenda in the international law.

From a legal point of view, "referendum" is purely a matter of domestic law but "foreign affairs are an extension of domestic affairs." Sometimes, the results of a referendum will touch on state-to-state activities and interacting relations on the international arena.

The greatest problem involved in Taiwan's effort to hold a referendum is whether or not Taiwan has the right to hold a referendum in terms of domestic law. At present, four-fifths of the countries in the world have established diplomatic relations with China, and moreover, they all have recognized that "there is only one China and Taiwan is part of China." Based on the same principle, the UN restored China's membership in 1972. In other words, on the basis of international law, Taiwan is part of China. Any referendum on major issues concerning

China, be they "Taiwan's admission to the UN" or "Taiwan independence or self-determination [zi zhu 5261 0031]," should be held by the entire Chinese people, if problems are to be solved. Any referendum held by the Taiwan region cannot, and is unauthorized to, solve problems which belong to the people throughout the country. Canada's Quebec Province has long desired independence but the desire has failed to materialize because the referendum procedures could not be passed. Quebec Province has not suggested holding a referendum singly, and, moreover, the international community maintains that Quebec can win independence only when a national referendum in Canada endorses it.

Therefore, if Taiwan regards it as necessary to hold a referendum to solve the issue of "independence" or admission to the UN, naturally, the referendum should be conducted among the 1.1 billion or more Chinese people. Otherwise, it will be an illegal act of separating from the mother's body [mu ti 3018 7555] or an equivalent of rebellion. The central government naturally has the right to check the move. This is the universally acknowledged principle governing sovereign jurisdiction in domestic and international law.

Moreover, if Taiwan abruptly holds a referendum on the issue of "independence" or "admission to the UN," no matter what the results are, it does not have any substance in the international community, because recognition of a state involves many issues and various countries will not decide whether or nor to recognize Taiwan according to the results of a referendum, and the UN will all the more not decide, according to Taiwan's referendum results, whether or not Taiwan should be granted UN membership.

In the international community, there are two constant facts that Taiwan cannot override forever: One is that Taiwan is part of China and the other is that China and Taiwan cannot be mentioned in the same breath in terms of population and area of territory. Therefore, in the international community, if Taiwan wants to get independence and a UN seat without China's endorsement, this is like making its way into a blind alley—a way out is impossible.

Commentary Examines Future of Economic Ties*OW2403032593 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 16 Mar 93*

[Commentary by station editor Ye Xin from the "News and Current Events" program: "The Future of the Development of Mainland-Taiwan Economic and Trade Relations Is Bright"]

[Text] The China Institute of Economic Studies in Taiwan recently sponsored a symposium to discuss the future of the mainland's economic restructuring, as well as mainland-Taiwan relations. Many scholars, business leaders, and officials of the Taiwan authorities maintained that, economically speaking, the economic

restructuring on the mainland provides Taiwan with an excellent opportunity to restructure its production. Li Gaochao, a departmental director of Taiwan's Economic Construction Commission under the Executive Yuan, said: Taiwan can attribute its economic growth to the stability of the post-World War II world. This time, if we can take advantage of the mainland's reform, Taiwan can successfully restructure its production pattern.

Xiao Quanzheng, deputy research director of Taiwan's National Policy Research Center, pointed out in a dissertation that the mainland's economic restructuring has produced all kinds of effects in all sectors in Taiwan. He said: Because the mainland will inevitably open its domestic market and tertiary industries, the move will provide Taiwan's capital a good opportunity to expand into the mainland. Because of geographical proximity, as well as similarities in languages and culture, the development of economic and trade relations between the mainland and Taiwan can be even broader. When Ye Jinfeng, deputy director of the Mainland Affairs Committee under the Executive Yuan, said at the symposium that the trend of Mainland-Taiwan economic and trade contacts is irreversible, her observations were widely endorsed by those in attendance.

This year, the Taiwan authorities have continued to ease their control over Taiwan businessmen's investment on the mainland. Recently, Taiwan has further decontrolled manufacturers of 74 kinds of goods to invest indirectly on the mainland. So far, Taiwan businessman can invest indirectly on the mainland to produce 3,811 kinds of goods. After Taiwan's Ministry of Economic Affairs promulgated the measures for approving investment and technical cooperation on the mainland on 2 March, Taiwan's manufacturers of petrochemical products, cement, automobiles and motorcycles, steel and iron, and glass products—who, up until now, were prohibited from investing on the mainland—have been requesting information from the ministry's department in charge of investment on the mainland, demonstrating their great interest in investing. As a matter of fact, some manufacturers of these products have already invested on the mainland. Nevertheless, the Ministry of Economic Affairs' promulgation of the measures remained a practical, albeit belated, move.

According to statistics compiled by relevant authorities, Taiwan businessmen have invested in all provinces, municipalities, and autonomous regions, with the exception of Tibet. Also, in terms of the amount of external capital invested on the mainland, Taiwan now ranks second, next only to Hong Kong and Macao, and exceeding those of the United States, Japan, and Korea. Some organs operated by the Kuomintang are also investing indirectly on the mainland. A Hong Kong subsidiary of Taiwan's China Development and Trust Corporation and a Hong Kong corporation under the

mainland's Great Wall Industries Group have set up a new corporation with \$100 million they raised together. After the news spread, it triggered a new craze of investing on the mainland.

When countries attending last February's World Economic Forum in Switzerland were appraising the investment environment in various countries, most of them agreed that the investment environment in China was most appealing. The economic restructuring on the mainland and its enormous market potential have become the target of extensive attention of people within business circles. They know that this is the general trend, and they know that the mainland is where the money is. Out of consideration for Taiwan's economic development, Taiwan authorities are now approaching investment on Mainland China practically and carefully with a forward-looking attitude. This is a sensible approach. If Taiwan authorities deliberately ignore or even renounce this opportunity to establish economic cooperation with the mainland, not only will they isolate Taiwan, but they will also jeopardize Taiwan's economic development.

Hong Kong-Taiwan Trade Grows in February

HK2303134093 Beijing ZHONGGUO XINWEN SHE
in Chinese 1512 GMT 21 Mar 93

[Text] Hong Kong 21 Mar (ZHONGGUO XINWEN SHE)—According to a Taipei source, Taiwan's "Ministry of Economic Affairs" published statistics on export buying orders in February; Taiwan received buying orders from Hong Kong of \$1.19 billion in February, up by 86 percent over the same period last year.

According to a Taiwan LIEN HO PAO [UNITED DAILY NEWS] report today, Taiwan's total buying orders received last February was \$6.94 billion, up by 27.37 percent over the same period last year. Of all the places where buying orders were sent, Hong Kong "occupied a decisive position." Taiwan's "Ministry of Economic Affairs" indicated that since last June, buying orders from Hong Kong have maintained the level of over \$1 billion, with new records frequently surfacing; last February, the new record was \$1.197 billion, up by 86.74 percent over the same period last year.

According to statistics, in January-February this year, Hong Kong received export buying orders of \$2.17 billion, up by 43 percent over the same period last year. The strong momentum of Hong Kong receiving export buying orders has reflected that the craze for cross-strait economic relations and trade stays strong; Taiwan's exports to the China mainland through entrepot trade of Hong Kong has become the chief impetus for Taiwan's growth in foreign trade.

Taiwan's "Ministry of Economic Affairs" indicated that it was expected that Taiwan's foreign trade would break the record this year.

Qian's Rejection of 'Dual Recognition' Noted

OW2403042993 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT 23
Mar 93

[From the "News and Current Events" program]

[Text] Communist Chinese Foreign Minister Qian Qichen—strongly and in a rather unfriendly manner—declared at a news conference yesterday that the issue of Taiwan's rejoining the United Nations does not exist. Moreover, Qian Qichen also asserted that Taiwan's idea of double recognition and pragmatic diplomatic policy will absolutely not be tolerated. Reporter Yang Chin-hui reports:

[Yang] Foreign reporters and Taiwan reporters are concerned about Taiwan's rejoining the United Nations. Answering a question about whether the Chinese people can be allowed to have two seats in the United Nations at the same time, Communist Chinese Foreign Minister Qian Qichen strongly declared in an unfriendly manner that the Chinese Communists maintain that the issue of Taiwan's rejoining the United Nations does not exist. Using such terms as usurp and expel, Qian Qichen said that Taiwan had usurped the Chinese communists' seat and in the United Nations and that in a resolution it adopted, the UN General Assembly expelled Taiwan from the United Nations:

[Begin Qian recording] Taiwan had usurped China's seat in the United Nations for over 20 years. In 1971, the UN General Assembly adopted a resolution to expel the Taiwan authorities from the United Nations and restored the seat to the PRC. The issue of Taiwan's rejoining the United Nations does not exist. [end recording]

As for dual recognition and pragmatic diplomacy, which Premier Lien Chan proposed in his administrative report on diplomatic policy, Qian Qichen said it is true that dual recognition has its historical origin. He said that when the Chinese Communist government was founded, very few countries recognized it; however, it is now recognized by 155 countries. On the other hand, although many countries had recognized the Republic of China in those days, it is now recognized by only a very small number of countries. Qian stressed that dual recognition is impossible at the present stage.

[Begin Qian recording] In Asia, no other country recognizes Taiwan; and in Europe, apart from the Vatican City, no other country recognizes Taiwan. Only a few small countries in Africa and Central America recognize them. It is impossible to have dual recognition; there has not been a single case of dual recognition so far, and there will not be dual recognition in the future. [end recording]

Chinese and foreign reporters maintained that Qian Qichen's attitude is quite bureaucratic, one-sided, and unfriendly.

This is CBC reporter Yang Chin-hui in Peking.

Premier Responds

OW2403090793 Taipei CNA in English 0745 GMT 24
Mar 93

[Text] Taipei, March 24 (CNA)—The Republic of China [ROC] has the right to pursue diplomatic relations with other countries and join international organizations, Premier Lien Chan said Tuesday during a Legislative Yuan question-and-answer session.

Lien was asked by Kuomintang legislator Tseng Yung-chuan to comment on mainland Chinese Foreign Minister Qian Qichen's remarks that Taiwan's "pragmatic diplomacy" won't work.

Lien stressed that the ROC is a sovereign nation whose basic political stance has been to protect and promote the interests of its people. "Our flexible diplomacy is a means, not a goal in our effort to promote our national interests," he explained.

The premier also reiterated that the ROC can never accept Peking's definition of "China." Peking defines "China" as the "People's Republic of China" and Taiwan is part of that "China."

Lien said "China" is now ruled by two equal different, political entities. "This is a fait accompli that Peking cannot deny," he noted.

Lien said the two sides of the Taiwan Straits should not interfere with each other's development for the sake of an eventual unification of China.

In response to another question by KMT [Kuomintang] legislator John Kuan, Lien said the government is aiming to establish direct contacts with the mainland through consultations in Singapore next month between the heads of the two intermediary bodies—Taipei's Straits Exchange Foundation and Peking's Association for Relations Across the Taiwan Straits [ARATS].

The long-planned consultations, widely known as the Koo-Wang talk, are expected to help resolve disputes and problems arising from increasing commercial and tourist exchanges between Taiwan and the mainland, Lien said.

On the same occasion, Mainland Affairs Council (MAC) Chairman Huang Kun-hui said the meeting between SEF Chairman C.F. Koo and ARATS Chairman Wang Daohan may not only solve some technical problems in civilian exchanges, but can also boost the confidence of authorities on both sides to upgrade the level of contacts.

Huang said the government will be glad to have official contact with the mainland, if mainland authorities agree to reduce its hostility toward Taiwan, forgo its threat to use force against Taiwan and stop its attempt to block Taiwan's presence in international arenas.

Huang reported that the MAC will issue a detailed report on developments in cross-straits relations at the end of this year to help the public understand what the government has been doing to boost exchanges with the mainland.

Government Budgets \$290 Million for Military Technology

OW2403083693 Taipei CNA in English 0815 GMT 24 Mar 93

[Text] Taipei, March 24 (CNA)—The government will spend NT\$7.22 billion [new Taiwan dollars] (about

U.S.\$290 million) in the research and development of military technology in fiscal 1994 which begins July 1, according to a report released by the Defense Ministry.

The budget is to be used to support several R&D [research & development] projects in aviation, missiles, electronics and chemicals.

Part of the spending will be for the "An Hsiang," "Tien Kung" and "Hsiung Chi" projects which are targeted at upgrading the capabilities of the locally-developed indigenous defense fighters (IDF).

Hong Kong

'Random Talk' Urges Patten To Study History

HK2403034093 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 24 Mar 93 p 5

["Random Talk on Taiwan, Hong Kong, and Macao" by Jin Wu (2516 0702): "Could the Hong Kong Governor Read Some Modern History?"]

[Text] The Hong Kong issue seems simple, but it is not simple. One hundred and fifty years ago, to maintain its drug trafficking in China, Britain launched the aggressive Opium War against China, during which it carried out burning, killing, rape, and plunder on Chinese soil; used gunboat policy to force the Qing Government to sign the unequal "Nanjing Treaty"; forcibly occupied Hong Kong; and in 1898, it forcibly took Kowloon on a lease, seriously infringing Chinese sovereignty and territorial integrity and trampling on the Chinese people's democracy and freedom. If the British Government really respects the Chinese people's democracy and freedom, it should earnestly abide by the Joint Declaration for Hong Kong's steady transition, return sovereignty to China as scheduled, end this inglorious chapter in its history, and stop deliberately complicating things and creating obstacles. Then, the problems will naturally become simple. By grabbing the last, little power of colonialism in Hong Kong, Chris Patten is trying to sow the seeds of difficulties before he leaves Hong Kong and even after Hong Kong is returned to China. Waving the banner of sham democracy, he has provoked confrontation with the Chinese Government, thus complicating the Hong Kong issue.

At present, as things have come to pass, some people propose the unconditional resumption of Sino-British talks. Is this not casting aside the Sino-British Joint Declaration? How can this be done? If it can, why not make things even quicker by abolishing the treaties on the forced occupation of Hong Kong and the forced seizure of Kowloon before talks are resumed?

We hope the Hong Kong governor will read some modern Chinese history and will then reasonably return to the basis of the Sino-British Joint Declaration. There is no other way out apart from this. Only thus, will Hong Kong's stability and prosperity be ensured and this will be favorable to friendly Sino-British cooperation.

Bao Xin 'Letter' Sees 'Double-Dealing Trick'

HK2403073893 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 12, 22 Mar 93 p 2

["Letter From Beijing" by Bao Xin (7637 0207): "Another Exposure of British Side's Double-Dealing Trick"]

[Text] My elder brother:

At a time when the vast numbers of the Hong Kong people were looking forward to settling disputes over Hong Kong's constitutional arrangements through negotiations between China and Britain, news came that the British Hong Kong authorities formally made public on 12 March the draft bill on 1994-95 elections, which was worked out on the basis of Chris Patten's constitutional package. This move has not only shocked the Chinese side, but also aroused the great indignation of the Hong Kong people in all walks of life who love both their motherland and Hong Kong. In the past two or three days, newspapers in Hong Kong and Beijing have carried many reports and commentaries to denounce the sinister intention of the British side in its breach of faith.

As you all know, ever since Hong Kong Governor Chris Patten forwarded his constitutional package in his policy address last October, the Chinese side has solemnly pointed out to the British side on many occasions that Chris Patten's package to unilaterally make major changes on Hong Kong's existing constitutional system has violated the principle of converging with the Basic Law, as well as the relevant agreements and understandings previously reached between China and Britain. Taking into account Hong Kong's prosperity and stability, the Chinese side has persistently urged the British side to abandon Chris Patten's package; return to the tracks of observing the Joint Declaration, the Basic Law, and relevant agreements and understandings previously reached between China and Britain; resume consultation and cooperation with the Chinese side; and ensure a stable transition and a smooth handover of political power in Hong Kong. Meanwhile, people from all circles in Hong Kong have published many declarations and speeches to voice their opposition to Hong Kong Governor's constitutional package which has showed no consideration for the convergence; gone against the will of the Hong Kong people; and created contradictions, dissension, and confusion in Hong Kong. Moreover, they have strongly demanded that the Hong Kong Governor withdraw his constitutional package, which is antagonistic against the Chinese side.

Under the criticism of the Chinese side as well as the pressure of the public opinion in Hong Kong, the British side once expressed its willingness to hold talks through diplomatic channels with the Chinese side on the issue of 1994-95 elections. The Chinese side showed its welcome and made positive response to this move. However, facts have proved that the British side does not really want to settle disputes and reach agreements with the Chinese side; what they want is to take the opportunity to play the dirty double-dealing trick, and stubbornly cling to their own position. Anyone who does not accept it as true can take a look at the following facts:

Shortly after they began discussing with the Chinese side on preparations for future talks, the British side started to leak information to the public. By claiming that the officials of the British Hong Kong Government should take part in the diplomatic talks between China and

Britain, it attempted to turn the talk between two countries on Hong Kong's future constitutional arrangements into one held among three parties of China, Britain, and Hong Kong. This so-called "three-legged stool" trick had once been played by the British side as early as 10 years ago when China and Britain held negotiations on the future of Hong Kong. Now, by playing the same old trick, the British side simply intends to enhance the status of the British Hong Kong Government, so that it will have a greater power and capacity to contend with the Chinese Government.

On another occasion, the Chinese side pointed out that if China and Britain held talks, the British Hong Kong authorities should ensure the implementation of the results of the talks. However, certain British and British Hong Kong officials repeatedly claimed that the Legislative Council [Legco] of the British Hong Kong Government had the "final say" on the constitutional development of Hong Kong. What was more, Chris Patten said publicly at a Legco meeting: "Provided that talks are resumed and an agreement reached between the Chinese and British sides on the constitutional disputes, the Legco has the right to make revisions on the bill submitted by the Hong Kong Government." By spreading such remarks, the British side aims to shirk responsibility and avoid making any specific promises on the implementation of agreements which could possibly be reached between the two sides. Another of its ulterior motives is to deliberately enhance the status of Legco which is under the control and manipulation of the British Hong Kong authorities, so as to place Hong Kong above the Chinese and British Governments at the present stage and then above the Chinese Government in the future, turning Hong Kong into a covertly independent "political entity" that can stand up to the central authorities as an equal. By so doing, the British side can carry out its rule without the British presence after 1997, and continue to safeguard its interests politically and economically. Such a trick of turning the practice of "returning the political power to China" into one of "returning the political power to Hong Kong" can be easily perceived by people with a discerning eye.

The Chinese side has a clear-cut stand on talks with the British side; that is, talks can only be resumed in accordance with the principle of "three conformities." However, on the one hand, the British side expresses its willingness to carry out consultations and cooperation with the Chinese side on the basis of "three conformities"; on the other hand, they do not at all wish to abandon Patten's constitutional package featured by "three violations." Although he has repeatedly claimed that talks should not be preconditioned, Chris Patten always insists that the two sides carry out talks on the basis of his package. Thus, his real intention is to precondition the Sino-British talks with his persistence in his own package.

The aforementioned various acts of the British side have showed clearly that it is the British side which places all sorts of obstacles before talks between the two countries.

As a result, the Sino-British talks, which have been brewing for some time, cannot be reopened till this day. What the British side has done has once again revealed to the full its double-dealing trick; and has further proved that the British side not only lacks sincerity in cooperation and talks; but also stubbornly sticks to its antagonist stance against the Chinese side, deliberately sabotages talks, and continues carrying out dangerous political gambling. This incident will undoubtedly produce an unfavorable impact on the prosperity and stability of Hong Kong, and on the stable transition and smooth takeover of the political power before and after 1997. The British side should be held fully responsible for this.

[Signed] Bao Xin

[Dated] 14 March 1993

Editorial Cites Britain's 'Violations'

HK2403073593 Hong Kong WEN WEI PO in Chinese
24 Mar 93 p 2

[Editorial: "Britain's Breaking of Promise Leads to Stalled Talks"]

[Text] Why have diplomatic consultations between China and Britain been sabotaged? The main reason is that the British side has "gazetted" Chris Patten's constitutional package, which is characterized by "three violations," and threatened to submit it to the Legislative Council [Legco] for discussion, so that the package can be unilaterally put into effect step by step and in a planned way.

At a news conference held yesterday, Chinese Foreign Minister Qian Qichen talked about the background of consultations between Chinese and British foreign ministers through letters and the stand of the Chinese side expressed in the letters. On 6 February, British Foreign Secretary Hurd wrote a letter to Qian Qichen, expressing his readiness to hold talks with the latter.

Conditions for foreign minister talks are still immature. This is because the issue concerning the basis of talks has not yet been resolved. If Chris Patten wants to submit his constitutional package to the Legco, what is the use of talks?

In his reply written on 11 February, Qian Qichen pointed out: "Both the Chinese and British Governments have the responsibility for resolving the Hong Kong issue." "Talks should be held on the basis of the Sino-British Joint Declaration, the principle of converging with the Basic Law, and the relevant agreements and understandings reached between China and Britain, rather on the basis of any other packages." "To implement the Sino-British Joint Declaration and resolve important issues of Hong Kong are matters of the Chinese and British Governments, which allow no third parties to meddle in. If the so-called 'constitutional package' put forth by the Hong Kong governor is submitted to the Legco for discussion in a form of bill before

an agreement is reached between China and Britain, it will obviously be unhelpful to the talks proposed by Your Excellency. It can only place obstacles on the talks."

The course of consultations between Chinese and British foreign ministers provides strong evidence that the reason why talks cannot be held is that the British side has undermined the basis of talks, as was mentioned in the foreign minister's letter, by "gazetting" Chris Patten's package and putting it to a legislative procedure, thus creating obstacles for talks. The stand of the Chinese side, which was made very clear as early as February by Qian Qichen, has never changed. But while "gazetting" his constitutional package, Chris Patten said outrageously that the Chinese side had put forth "new preconditions" for talks. This was entirely an attempt to deceive the people of Hong Kong. Having a guilty conscience, he dared not admit what he had done to sabotage the talks.

While declaring its sincerity for talks, the British side has yet unilaterally carried out the constitutional package step by step. By saying one thing but meaning another, the British side is showing no sincerity at all. Thus, people can see once again how hypocritical the British side is and how it has broken its own words and sabotaged Sino-British cooperation. Since the British side has wantonly destroyed its reputation and undermined the basis for cooperation, how could a result of strengthening cooperation be possibly achieved through talks?

The Sino-British Joint Declaration is the basis for cooperation between the two countries and the norm for handling the Hong Kong issue. Now in the later transitional period, when there are only four years left before the transfer of power, obstacles have emerged in Sino-British cooperation. This has a great deal to do with the change of the British policy, which is aimed at obstructing the steady transfer of power.

Last May, the British prime minister received the head of the United Democrats of Hong Kong with the etiquette for heads of state, in an attempt to boost the courage of the pro-Britain and anti-China political organization and make Hong Kong more politicalized. Some people said openly that Hong Kong had already become a political city, which had more demands for politics than ever before. As the number of political organizations was increasing in Hong Kong, some changes were needed in this city.

Qian Qichen denounced this argument as having an axe to grind. "It impressed people that the Sino-British Joint Declaration is already outdated and is not enough for use," he said. "That is why the agreement which both sides have reached on the Hong Kong issue should be changed and some new contents should be added to it, leaving some new troubles to the future." Some people are trying to establish a pro-Britain and anti-China political power center, make the Basic Law impractical,

and create troubles for the transfer of power, so that the British rule can be continued in disguised form after 1997. What Chris Patten did recently, such as his remarks on "delivering the responsibilities of governing Hong Kong to the people of Hong Kong" during an interview with Asia Television and his insistence on putting Hong Kong officials in a prominent position in Sino-British talks so as to form a three-legged stool, could also be traced to the same origin. Motivated by this plot of violating the Joint Declaration, Chris Patten has adopted a series of actions to challenge Sino-British cooperation.

The British side has made a wrong appraisal of the situation, thinking that once an obstacle is placed in Hong Kong's constitutional system before 1997, the Chinese side will be unable to restore Hong Kong's sovereignty, carry out the Basic Law, and preserve prosperity and stability in Hong Kong. Chris Patten once said in no equivocal terms on television that if his constitutional package were put into effect, the Chinese side would not dare to overthrow it and work out a new one. However, Foreign Minister Qian told the British side yesterday that "China will never make any concessions on such questions of principle." The Sino-British Joint Declaration stipulates that Britain will restore Hong Kong to China and that the power of the Hong Kong Special Administrative Regional Government will be granted by the central people's government according to the Basic Law. If Britain supports Chris Patten in creating troubles for the implementation of the Joint Declaration, it will lose its international reputation and will pay for it.

Hong Kong Prosperity Reportedly Due to China

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[Article by Yu Cheng (6735 2952)]

[Text] Hong Kong 19 Mar (ZHONGGUO TONGXUN SHE)—To a large extent, the active support of Chinese factors accounts for the steady and rapid growth in Hong Kong's investment market and even its entire economy in recent years. If economic relations and trade on the China mainland enjoy sustained growth in the next few years as expected, Hong Kong will greatly benefit.

Hong Kong and the China mainland have all along maintained rather close ties in their economic relations and trade throughout the years, and such ties have been increasingly frequent in recent years, with extensive and many different tiers involved. This owes chiefly to China adhering to the economic policy of reform and opening up, and the consequent improvement in the Chinese people's production and purchasing power; as a result, various trades in Hong Kong have greatly benefited. The increase in Hong Kong businessmen in South China, and even along river valleys and border areas has also played a considerable role.

In fact, Hong Kong's industry, trade, and even its service sector are making a big effort in the mainland market. In the manufacturing industry, Hong Kong businessmen have made considerable investment in south China's industrial bases, with a work force of nearly 3 million employed, which is the best way to lower operational and production costs and increase fringe profits. Mainland import and export values through Hong Kong's entrepot trade each exceeded HK\$100 billion [Hong Kong dollars] in 1992. The value of Hong Kong exports to the mainland and the value of Hong Kong goods exported from the mainland after being processed there accounted for 56 percent and 66 percent of the gross import and export value respectively; this fully demonstrates the fact that mainland industrial productive forces are supporting Hong Kong businessmen's conversion in operational types.

While making investment in mainland industrial production, Hong Kong businessmen have shown interest in its market with a strong potential. China is gradually lifting controls over its domestic market; consequently, industrial products of Hong Kong business investment in Southern China will have a greater chance to be marketed; it is believed that it will lead to certain structural change in Hong Kong's entrepot trade from now on.

At the same time, Hong Kong department stores and catering businesses have set up branches and even chain stores in various coastal big cities to strive for greater turnover; the China mainland's total volume of retail sales increased by 18.9 percent last January, whereas it was around 40 percent in the well-off coastal provinces. The attraction is great.

As to Hong Kong's service trade, there is much room for its development in the mainland market. Based on the updated figures published by the British Hong Kong Government, Hong Kong service export value last year increased by 10.1 percent over the previous year, being far more satisfactory than expected; it must have won the powerful support from the great demand in service on the mainland and other places in Asia.

The basic condition of Hong Kong's economic development is actually quite sound, for it has all along

depended on Chinese factors. China's GNP growth rate was an outstanding 12.8 percent in 1992. Zou Jiahua, vice premier, concurrently State Planning Commission minister, expected China's GNP growth rate to be 8 percent this year; that was chiefly to leave some leeway. In actual fact, the China mainland's industry, agriculture, and tertiary sector are all fast developing, and are likely to exceed once more the growth rate the government expects. This is a favorable factor for Hong Kong to continue to enjoy a bright prospect for its economy.

Nevertheless, Hong Kong is perplexed by increasingly greater factors of political bleakness, which is a hindrance to economic development. Should Chris Patten be bent on going his own way to push his constitutional reform package, it would dampen Hong Kong people's enthusiasm for investment, and viciously affect Hong Kong's intermediate and long-term economic development.

Lu Ping, Zhou Nan Attend TA KUNG PAO Fete

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[Text] Beijing, March 21 (XINHUA)—TA KUNG PAO, a Hong Kong-based Chinese language newspaper, held a celebration party today in Beijing to mark its 91st birthday and the 45th anniversary of the resumption of publication.

Present at the party were ranking Chinese officials in charge of affairs concerning Hong Kong and news media including Ji Pengfei, Lu Ping, Zhou Nan, Zheng Bijian, Zhu Muzhi and Zeng Jianhui.

TA KUNG PAO was founded in 1902 in north China's Tianjin city. The Hong Kong edition was initiated in 1938 and ceased publication due to the break-out of the Pacific war. The Hong Kong edition was resumed in 1948.

The newspaper won international fame in past decades, and the United Nations once listed it as one of the three best known Chinese language papers in the world.

At present, TA KUNG PAO has three editions respectively for Hong Kong, America and Europe, and is published in 136 countries and regions.

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